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Cuba

Further on Rodriguez, CEMA Meeting in Sofia

FL1001200090 Havana Tele-Rebelde Network in Spanish 1800 GMT 10 Jan 90

[Text] The 45th CEMA meeting continues its work in Sofia, the Bulgarian capital. The debates are mainly taking place in work commissions where the delegates are drafting the final documents and a concrete plan to reorganize the structure and nature of the organization.

During the opening session, the heads of the participating delegations promoted a number of measures for the drastic restructuring of CEMA's activities. Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers of Cuba, who is heading our country's representatives to the Sofia meeting, was among the first ones who spoke yesterday. Rodriguez noted that as far as Cuba is concerned, we agree on the need to completely restructure the economic group to give it more cohesion and internal and external dynamism. However, he explained that this does not force us to give up the principles that were the basis for its creation.

Carlos Rafael stressed that to introduce the market's action in some areas of our economic activity cannot mean we are going to be subjected to prevailing free-market laws and return to the anarchy of production. He added that to recognize a certain level of private property, together with the socialist forms of property, cannot grant private property a higher level than social property over the production mechanisms.

The Cuban leader stressed that all agree that the economic plan cannot turn into a straight jacket which disregards possible changes of the productive process. It cannot be forgotten either that the plan guarantees savings and efficiency of production.

Carlos Rafael highlighted that under the current international conditions, when dramatic events are taking place in socialist countries and when imperialism grants itself the right to intervene in a Third World country such as Panama, underdeveloped states continue to face an acute crisis. The head of the Cuban delegation said instead of advancing, Third World countries are going back; they see unequal trade increase, and are enduring an overwhelming foreign debt. He also indicated that this period has not been easy for Cuba. He added: Although we are not satisfied with the results of the Cuban economy, we can assert that in Cuba, socialism, with its organization and planning, has prevented its going back and allowed it to continue developing.

The Cuban vice president said in Cuba each citizen is provided with a modest but honorable standard of living. In some social areas, it can be compared with developed countries. He added that socialism is present when the number of children dying during their 1st year of life is reduced to 11.1 per 1,000 born alive; socialism is present when in Cuba there is a doctor for every 305 inhabitants; socialism is present when life expectancy reaches 77 years for women and 73 for men. He also noted other achievements of our revolution during these 30 years, such as the construction of child care centers, hospitals, schools, and other social projects. Likewise, he stressed that socialism is also present when the state guarantees to each one his nutrition needs, regardless of his income level.

Carlos Rafael Rodriguez said no matter how the future restructuring of CEMA may be, the concern for the welfare of man and the growth of its material and spiritual potential constitute the essence of socialism.

Nikolay Ryzhkov, chairman of the Soviet Council of Ministers, also spoke during yesterday's session of the 45th CEMA meeting. Ryzhkov favored the modification of the organization's entire system of mutual economic relations and said the best solution is to have the Soviet ruble and national currencies of member countries become convertible currency. However, this process requires intermediate decisions and it should be done in stages. This would allow the various countries to adapt to the new system. Ryzhkov was in favor of giving special attention to CEMA's non-European countries such as Vietnam, Mongolia, and Cuba and proposed that the first practical steps for the implementation of the new system be taken in 1991.

Bilateral meetings between participants of the meeting are also talking place today. Cuban Vice President Carlos Rafael Rodriguez met with Soviet leader Nikolay Ryzhkov.

The 45th meeting of the CEMA is scheduled to end this afternoon with the signing of the final documents and agreements on bilateral cooperation.

Commentary Applauds Rodriguez Speech

FL1001194990 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Jan 90

[Station commentary]

[Text] In his speech before the 45th CEMA meeting, which will close today in Sofia, Bulgaria, Cuban Vice President Carlos Rafael Rodriguez has clearly outlined the Cuban position regarding CEMA's future.

Perhaps the most remarkable—if not the most important—aspect of the speech is the fact that it was based on principles. The Cuban leader made a resounding defense of socialism, of its values, and of its full viability as a system. As an example, he cited the case of Cuba, which achieved economic growth in the 1988-1989 period despite adverse weather conditions, despite difficulties to obtain freely convertible currencies to trade with capitalist countries, and despite difficulties in obtaining supplies and technical assistance as a result of the changes that have taken place in CEMA member countries, which are Cuba's main suppliers. By contrast,

practically the entire region either experienced economic stagnation or an economic setback, all of which entails a heavy social burden.

Another significant aspect outlined by comrade Carlos Rafael Rodriguez was Cuba's recognition that a complete restructuring of CEMA is necessary but, as the Cuban leader stated, this should not force anyone to give up the principles that laid the groundwork for organizing the CEMA alliance. In other words, Cuba stated its opposition to restoring production anarchy by adhering to free market rules. Cuba stated its opposition to granting priority to private property over social property; it stated its opposition to proscribing planning, that is, to establishing merely general guidelines and to seeking efficiency through market rules without profiting from the advantages that can be obtained through planning.

Cuba opposed the idealization of prices prevailing in the so-called world capitalist market, which advocates unfair terms of trade. Above all, Cuba stated its concern for man and his well-being, the essence of socialism. Carlos Rafael said, paraphrasing a Spanish-speaking thinker, that Cuba does not base its faith in believing in something we have not seen, but in creating what we have not seen.

More on Rodriguez-Ryzhkov Meeting

FL1001210490 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Jan 90

[Text] Cuban Vice President Carlos Rafael Rodriguez and Soviet Chairman of the Council of Ministers Nikolay Ryzhkov met in Sofia, the capital of Bulgaria, where the two head the delegations from their respective countries to the 45th CEMA meeting; Viktor Ampilov reports from there.

[Begin Ampilov recording] At this time, my colleagues in the Cuban section of Radio Moscow are attending a meeting with the chairman of the Soviet Committee for Solidarity with Latin American Peoples, Karen Khachaturov, who stated that the USSR will continue to fulfill its obligations towards Cuba, and added that those economists who complain about the supposed unequal trade do not take into account many factors that are more important than money.

This assertion by a Soviet social figure such as Karen Khachaturov coincides with the statements issued yesterday in Sofia after the meeting between Nikolay Ryzhkov, chairman of the Soviet Council of Ministers, and Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers of the Republic of Cuba. The meeting took place in the context of the 45th CEMA meeting. Nikolay Ryzhkov and Carlos Rafael Rodriguez stressed that in the USSR and Cuba, they have acquired experience with multifaceted cooperation based on a sincere interest in the successful development of both countries. The TASS cable said that the two are going to restructure their economic relations in accordance with current needs, based on concrete realities and the traditional ties of friendship that link our countries and peoples.

That is, it is important that the USSR and Cuba recognize the existence of the problems that occur in multilateral trade within CEMA as well as at the bilateral level. But it is much more important politically that both countries agree in their determination to overcome these problems, which are inherent in any human undertaking. The USSR and Cuba are willing to develop their cooperation based on current conditions. It goes without saying that I am pleased that this Soviet Government position is supported by the representatives of the social circles in the USSR. [end recording]

Rodriguez 'Satisfied' With Results

FL1001222090 Havana Radio Reloj Network in Spanish 2032 GMT 10 Jan 90

[Text] Cuban Vice President Carlos Rafael Rodriguez has considered the results of the 45th CEMA meeting, which ended today in Bulgaria after 2 days of intensive work, satisfactory. Rodriguez said: We are among the CEMA member countries that understand the need for a total restructuring of the organization's activities.

During an interview with PRENSA LATINA in the room where the final protocol of the most important meeting of the organization was signed, the Cuban representative admitted that there were some problems which concerned him during the meeting. Carlos Rafael Rodriguez gave as an example the manner in which member countries would work out proposals for fixing prices based on a 1-year term and not 3.

Cuban Vice President Carlos Rafael Rodriguez, in assessing the 45th CEMA meeting, said that another delicate matter during the meeting was the discussion on how to increase relations between members of the organization in freely convertible currency. Cuba's representative said that all concerns were fully discussed during the meeting and that the final protocol contains a paragraph which establishes that the special conditions of non-European CEMA member countries will be taken into consideration. The protocol adds that the [word indistinct] application of prices for payments in convertible currency will be established in a gradual manner and that they will be determined through bilateral agreements between countries. Therefore, Carlos Rafael Rodriguez said, this shows that Cuba's interests will be taken into account.

Meeting Ends, Resolution Signed

FL1101020090 Havana Television Service in Spanish 0100 GMT 11 Jan 90

[Text] The 45th CEMA meeting has ended in Bulgaria with the signing of a final resolution. The results of the meeting have been termed as satisfactory by the head of the Cuban delegation attending the meeting, Carlos Rafael Rodriguez.

Without discrepancies in principle, the 10 countries which compose the CEMA have agreed to form a commission to study the radical restructuring of the economic cooperation system and to present in 2 months a proposal in a special meeting.

During the 45th CEMA meeting, priority was placed on attaining overall satisfaction with a formula which will accommodate, in principle, the interests of all parties, including the interests of the countries which are less developed such as Cuba, Mongolia, and Vietnam. Thus, the CEMA has shown its ability to find ways to resume its activities in line with the world situation.

Havana Reviews Bush's 1st Year in Office

FL1001153690 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Jan 90

[Commentary by Armando Morales of the International Division of the "Revista de la Manana" program]

[Text] On 20 January, U.S. President George Bush will mark his 1st anniversary as White House resident. Any assessment made of the 1st year of the Bush Administration should take into consideration the bloody invasion of Panama, which began on 20 December at the cost of almost 3,000 Panamanian lives, among his principal foreign policy achievements. The excuses used to justify the aggression were reminiscent of those used by Ronald Reagan when he sent the 82d Airborne Division to the island of Grenada in October 1983. In reference to the attack, Bush said he had no higher obligation than to safeguard the lives of U.S. citizens.

It is interesting to see how U.S. Presidents, once they assume that position, acquire an extreme sensitivity for the lives of their citizens abroad while at the same time, in U.S. urban areas, thousands of their compatriots languish and die because of preventable situations—such as poverty, drug consumption, AIDS, and even cold winter temperatures.

One must take into consideration that the ideologues of the new right wing in the United States have focused their attention on the case of Panama. This was very clearly expressed in the "Santa Fe II" document on U.S. strategy for the 1990's. Its purpose is to serve as a guideline for the current Bush administration. After a verbose argument on what a dreamer Jimmy Carter was in signing the canal treaties and on what Reagan should have done but didn't, the Santa Fe document categorically says that the intent of the United States is to retain its military installations in Panama, especially Howard Air Force Base and the existing navy base for, quote, the adequate projection of force in the entire Western Hemisphere, end quote. The Panamanian chapter in the "Santa Fe II" document concludes by saying that this matter should be resolved by the beginning of the 1990's, quote, if we want to guarantee the national interests of the United States and Panama for the rest of the century, end quote.

Washington's purpose in Panama is to permanently maintain its hegemony and control over the Canal Zone and the country in general while it maintains its military enclaves for the purpose of constant vigilance and supervision of the Latin American subcontinent. While U.S. units specialized in psychological warfare are trying to eliminate and get the people to forget the name and deeds of Omar Torrijos in Panama, the 41st resident of the White House still has 3 years left in office to demonstrate his skill in leading the United States of America.

Panama is not Bush's only problem, at least in foreign affairs. According to the "Santa Fe II" document, other problems include Mexico, Brazil, Colombia, and, of course, Cuba. These countries were analyzed by the ideologues of the new U.S. right wing because they are especially important to the United States.

In the domestic area, 1 year after occupying the Oval Office, Bush continues to face such disagreeable and complex problems as the fiscal deficit, the environment, and the fight against drug consumption. It is possible that Bush may recall the interview he granted 2 years ago to CBS reporter Dan Rather on the Iran-contra scandal as an incident that occurred a long time ago. During that interview, after Bush gave many ambiguous and evasive answers, Rather conclude that several questions were left unanswered. I mention this interview because Bush will conclude his 1st anniversary as President of the United States on 20 January, 2 days prior to the start of hearings for National Security Adviser John Poindexter, who is reportedly the last to be implicated and tried in the Iran-contra scandal.

Safety Demanded for Medical Team in Ethiopia

FL1001124690 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Jan 90

[Text] Cuba has approached the International Red Cross and Husni Mubarak, acting president of the African Unity Organization, and asked them to exert their efforts and authority to safeguard the lives of the members of the Cuban medical team that were rendering humanitarian assistance in Ethiopia and who are now reportedly in the hands of Sudanese military units.

The medical team was comprised of four women and two men whose names are Caridad Fernandez Villareal, Pedro O. Ulacia Marin, Humberto Gonzalez Sanchez, Caridad Benavides Carmona, Luis Bello Tamayo, and Yolanda C. Hernandez Boga. This group was providing medical services at the hospital in the small Ethiopian city of Asosa in the central-western part of the country where heavy fighting has recently occurred due to the armed conflict in the northwestern part of Ethiopia.

Cuban diplomatic representatives and Ethiopian authorities have made efforts to reestablish communications with the Cuban medical team and to evacuate them.

The Government of Cuba demands that the lives of the six Cuban workers—who have unselfishly dedicated themselves to the noble and peaceful service of healing the sick in the Ethiopian region of Asosa and who are in no way connected to the armed conflict in that region—be respected and, if they are prisoners, that they be immediately released.

Salvadoran Armed Forces' Crimes Discussed

FL1001155590 Havana Radio Rebelde Network in Spanish 1255 GMT 10 Jan 90

["Our Opinion" commentary read by Rafael Berastegui]

[Text] Despite ample evidence, no Salvadoran Government had blamed the Armed Forces of killing defenseless civilians since the civil war worsened in 1979. The announcement made by President Alfredo Cristiani of the arrest of 45 soldiers and 2 officers for killing 6 clergymen, a maid and her daughter on 16 November is in itself a small and partial milestone.

Cristiani, whose Nationalist Republican Alliance party was founded at the beginning of the eighties by individuals linked to paramilitary bands, the Army, and security corps, asserted that the names of those responsible for the crimes will be released in the next 48 hours.

Jesuist Francisco Estrada, who replaced Father Jose Ignacio Ellacuria—one of those massacred—at the rectorship of the Central American University in San Salvador, warned that it is not enough to know which seargent pulled the trigger, but who gave him orders to do so needs to be revealed. Cristiani will not go that far.

Cosmetic sacrifices are made to neutralize the threat of the U.S. Congress interrupting the $1.5 million it sends a day for the war against the Farabundo Marti National Liberation Front [FMLN] and the repression of the people.

The dismissal of General Juan Rafael Bustillo as chief of the Air Force and the possible punishment of some of the counterinsurgent Atlacatl Battalion fulfill these requirements. However, Cristiani will attend the next informal summit of Central American presidents in Tegucigalpa, Honduras on 28 January under adverse conditions.

The mobilization of the Latin American public opinion against the U.S. intervention in Panama and its aim of extending the intervention to other nations of the area have weakened Washington's diplomatic space. This could have an effect on its political ally of El Salvador which, in the previous summit held in December, presented Nicaragua and the FMLN as responsible for the worsening of the crisis in Central America.

The facts are conclusive. What will now be the excuse of Salvadoran President Alfredo Cristiani and his protector George Bush?

General Staff Chief Heads Inspection Team

FL1001202390 Havana Tele-Rebelde Network in Spanish 1800 GMT 10 Jan 90

[Text] Division General Ulises Rosales del Toro, first vice minister of the Revolutionary Armed Forces [FAR] and chief of the General Staff, is presiding over the general inspection that began in the Central Army territory this morning. This inspection will assess the status of the command and the five provinces in its territory to receive and retain the ready for defense status.

In the report issued by the command chief, Division General Joaquin Quintas Solas recognized the efforts shown by all Central Army members.

During this 1st day, the head of the inspection team toured military units and installations located in Matanzas while the various work groups of the Revolutionary Armed Forces and the Military Department of the Communist Party of Cuba Central Committee went to their respective locations to begin the inspection work.

Workers Expand Santiago de Cuba Airport

FL1001141290 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Jan 90

[Text] Construction workers from Santiago de Cuba continue expanding and remodeling the Antonio Maceo airport, considered the most complex project in the history of Cuban civil aeronautics. The investment, which will allow the inauguration of direct Europe-Santiago de Cuba flights by the end of the year, is one of the most important construction projects in this city in honor of the Fourth Congress of the Communist Party of Cuba.

The fundamental work consists of extending the current runway from 2,500 meters to 4,000 meters, the construction of a building for national flights, and the considerable expansion of the existing building for international flights. According to the timetable, the new block of buildings should be finished in February, while the rest of the terminal will be built by November.

Even though they are 50 days behind schedule, the construction workers expect to get back on schedule if they receive the necessary resources and if they work like a contingent at a time when this is required.

The runway shows significant progress. It is 95 percent paved, including the large 58-meter-deep depression, which needed more than 1.7 million cubic meters of compacted material to be filled. Workers have also finished the airplane parking platform which is now being used.

Nation Reports its Lowest Infant Mortality Rate

FL1101002290 Havana Radio Rebelde Network in Spanish 0001 GMT 11 Jan 90

[From the "Exclusivo" program]

[Text] Cuba has reached the lowest infant mortality rate in its history which is 11.1 dead for each 1,000 born alive in 1989. This places Cuba among the 20 countries in the world with a rate lower than 12, according to reports issued today in Havana. This rate, along with the maternal-infant rate which was 2.9 for each 10,000 born alive for the same period of time, places Cuba as the first Latin American country to attain these achievements thanks to its advanced health program system which the state guarantees and is free.

Barbados

No Cabinet Reshuffle, But Changes Possible

FL1001234090 Bridgetown CANA in English 2048 GMT 10 Jan 90

[Report by Mark Lee]

[Text] Bridgetown, Barbados, Jan 10, CANA—Barbados Prime Minister Erskine Sandiford on Wednesday announced possible "minor changes in respect of subjects" in his cabinet and promised a review of a controversial joint venture sea island cotton project involving three other Caribbean Community countries.

Setting aside speculation of a reshuffle which would involve Agriculture Minister Warwick Franklin—who has responsibility for the cotton project—Sandiford said he had no intention to make major cabinet changes. "There may be some minor changes in respect of subjects but nothing that can be considered a reshuffle," Sandiford told a luncheon meeting with media managers and senior journalists at his official residence, Ilaro Court.

The Caribbean Sea Island Cotton Company (Carsicot), based here, is a joint venture company involving Barbados, Antigua and Barbuda, St. Kitts and Nevis and Montserrat as minority shareholders and Canadian company [word indistinct] as the majority owners.

Carsicot has attracted considerable charges of financial and other irregularities. Opposition politicians have called for Franklin's sacking over the allegations. Stating that there were "internal problems and organizational restructuring" at the Carsicot processing plant, Sandiford said, "I have an uneasy feeling that something amiss has occurred. I have a feeling the company has that feeling and has taken certain action ... To correct itself." He said the structure of the company "will come up for review" to see if modifications can be made.

Responding to allegations that cotton was imported from the United States to be mixed with sea island cotton and exported as genuine sea island cotton, the prime minister said he had no evidence to show that there was any fraudulent activity. He said he had heard the plausible explanation from the shippers that it was a mix up at the U.S. ports but his mind was open on the matter. "...There may be information which might ... Change my perception of the matter," he remarked. Sandiford said he was not aware that the other Caribbean government partners were appraised of the Carsicot situation since the company was a private one and all the problems were internal. But he said a full statement would be made in Parliament by the agriculture minister when the Christmas recess ends.

Sandiford stated his government's commitment to the cultivation of cotton and the Carsicot project. He said the government is pledged to have agriculture playing a vital role in the economy as well as to diversify the sector. The prime minister said the diversification would be around the sugar industry which was once the mainstay of the economy but which has suffered severe setbacks in recent years with last year's production being the lowest since 1948.

He said cotton was a crop with the greatest potential for foreign exchange earnings, creating employment and manufacturing linkages. Carsicot suffered some setbacks when private farmers did not plant the amount anticipated for this crop and the company's own late planting was affected by bad weather. Private farmers here refused to plant cotton because they say the Carsicot price offered is small compared to the price of finished products in metropolitan centers.

Sandiford said there were plans to install a knitting mill by June and a spinning mill sometime in 1991. In due course, he reported, participation would be open to the Barbadian private sector if they show an interest in the project. Sugarcane farmers, who are also the main cotton planters here, have been criticized by Franklin and Carsicot's Barbadian managing director, Clifton Maynard, for being negative in facing the cotton challenge. Only one Barbadian farmer planted cotton for the 1990 crop and most of Carsicot's 1,500 acres apparently failed. The production figures for the other islands were not immediately available.

No Need To Devalue Nation's Dollar

FL1001170390 Bridgetown CANA in English 1612 GMT 10 Jan 90

[Text] London, Jan 10, CANA— Businessman and director of the Barbados Central Bank Douglas Lynch says there is no need to devalue the Barbados dollar in a bid to ease the present economic problems confronting the island. But Lynch, head of Barbados Shipping and Trading Company Ltd, said in a radio interview that Barbadians would have to curb their spending pattern.

"Barbadians will have to tighten up their belts for a while," he said on the British Broadcasting Corporation's (BBC) Caribbean Report programme. "The devaluation can no longer happen.... If we take care and

manage our resources properly, we should not have a devaluation," Lynch added.

The director of the economic affairs division of the Commonwealth Secretariat Bishnodat Persaud, insisting that the Barbados economy is not facing a crisis, also said there was no need for a currency rate change. "I don't think that there is need for a devaluation as such.... People tend to look at this in terms of foreign exchange reserves, and in terms of foreign exchange earnings, Barbados has reserves to cover more than 3 months imports.... So that the reserves are at a safe level," Persaud said.

Last year the Barbados Central Bank instructed commercial banks to raise the minimum interest rates on saving deposits from 4 percent to 6 percent and raise the average rate on loans from 10.5 percent to 12.5 percent. The bank said the measures were aimed at restricting credit and easing the pressure on foreign reserves.

Lynch said there had been "over reaction" to the measures. "The reason why we are having a credit squeeze is because the central bank may have recognised some danger signals, and the country is taking the steps to reduce spending. The credit squeeze is not evidence that Barbados is going to fall and appeal to the world.... It is evidence we are taking such steps to keep the economy on course," Lynch added.

Persaud said the Barbados economy needs to grow by at least 5 percent, if it is to make any significant dent in the official 16 percent unemployment figure. He dismissed reports of a recession in the economy adding: "If a recession happens it would be because there is a recession in the world economy."

However, Persaud warned that there is need for sectors other than tourism to grow significantly so as to prevent Barbados ending up "a one industry economy."

Haiti

PUCH Comments on Avril's Taiwan Trip

FL1001182090 Port-au-Prince Radio Metropole in French 1500 GMT 9 Jan 90

[Excerpts] The Ministry of Information has formally denied reports that President Avril was attacked in Miami on Sunday by a politically hostile individual. We will listen to reporter Clarens.

[Clarens] [passage omitted] The Unified Party of Haitian Communists [PUCH] greatly disapproves of the chief of state's trip to the [Republic of] China. PUCH feels General Avril has once again exceeded his rights. PUCH leader Rene Theodore says an unpopular government like Prosper Avril's has no right to travel abroad in the name of the Republic. Theodore interprets the reception given the general by Miami Haitians as an extension of the struggle being waged against this regime by the Haitian people in Haiti. The PUCH's number one man once again calls for a consensus among the political class, in order to propose other forms of action to install a real transitional government in Haiti.

Theodore feels that the fact that Gen. Avril took his family with him on this trip abroad shows that he is not too sure of himself.

[Begin Theodore recording] [passage omitted] This means the general is not at all sure he will be able to return. He is not terribly sure of his power. That is why he took his entire family along on an official trip. This kind of thing is not done in any other country. [passage omitted]

This shows that this is a man who knows he has no legitimacy. He is traveling, his flank is not protected, so he leaves with everything he has—just in case. If he returns, fine; and if he does not, that is fine too, because he's already out. [end recording]

Maurepas Auguste of the Movement for Democratic Unity, MDU, finds himself on the same wavelength as Rene Theodore regarding this trip by Gen Avril. [passage omitted]

Ministry Denies Media Reports on Avril Attack

FL1001144790 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 9 Jan 90

[Excerpts] The Directorate of Information of the Ministry of Information, Culture, and Coordination salutes Haiti's media and calls their attention to the trickery and lies involved in the unfounded, false report that two people attacked the president of the military government, Lieutenant General Prosper Avril, when he stopped, in transit, at the Miami airport. The Directorate of Information says it is struggling to have ethics—meaning accuracy—and proper morality take root among the Haitian press, so the press will stay on the true path of the profession and be impartial, and also so it will maintain its dignity and forcefully deny anything that looks like it could be an attempt to trouble people's minds.

The ministry's press release says, further: We remind everyone that every country in the world has protocol and proper security services to receive and welcome foreign diplomats, leaders, and officials. Upon arrival, such people are taken directly through special halls, along a special route laid out for that purpose, into the diplomatic or VIP waiting room of the airport in question. Under the rules of international diplomacy, there is no country in the world that allows the public access into these places. Only high-ranking officials are allowed in. [passage omitted]

This is a press release from the Ministry of Information and Coordination on the news report from Miami regarding an attack on Gen. Prosper Avril on 7 January as he was on his way to Taipei.

We remind listeners that the report in question said approximately 200 Haitians demonstrated Sunday morning at the Miami airport against Gen. Prosper Avril as he went through Miami. One of the demonstrators even tried to attack the general, and was prevented from doing so only by the intervention of the U.S. police, the FBI. The demonstrations were to continue in the Miami neighborhood known as Little Haiti—according to Bruno Edgard [a former correspondent for RTNH, or National Haitian Radio and Television], in a report that he provided voluntarily, which we managed to receive. Edgard also talked about other rumors that were circulating regarding the objective of Gen. Avril's trip—rumors to the effect that Gen. Avril was to meet with Haiti's former dictator, Jean-Claude Duvalier, in Taipei, Republic of China.

Union Federation Reacts To Avril's Trip

FL1001130390 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 9 Jan 90

[Text] We have begun receiving reaction regarding the departure for the Republic of China of the president of the military government and the delegation accompanying him.

The Autonomous Organization of Haitian Workers [CATH] says: It almost takes our breath away! We are tired of these people! We are tired of these military governments! It is time for liars, plunderers, dictators, spies, and those loyal to no country whatsoever to give the country a break. It is time for crime to stop in Haiti! It is time for the macoute military to lay down their weapons, the weapons they took up against an innocent people more than 32 years ago!

The Avril government has done in the country! It has caused the cost of living to become twice as high as before! It has paid and armed still more detectives, more spies, and more macoutes—not only to keep track of what patriots say, but also to assassinate them.

The press release continues: We cannot take this anymore! We must break this chain of slavery. The corrupt military must stop lying, stop running around partying, and stop showing off with the Haitian people's money. It is also time for patriotic members of the Armed Forces to leave the ranks of these evil doers, so as to reinforce the Haitian people's struggle in the battle they are waging for a new Haiti.

Gen. Avril has left for the Republic China with a bunch of plunderers! All this money that is being wasted is being wasted at the expense of the Haitian people.

The press release concludes: General Avril has no mandate to speak in the name of the Haitian people. We do not want him! We have never wanted him! We do not want him! He has to go, once and for all! For this reason, CATH asks patriots in Haiti's nine geographical departments to rise up (?and) mobilize and take all necessary measures to prevent Gen. Avril from returning to take over the country of Charlemagne [Peralte] and Jean-Jacques Dessalines.

Coalition Seeks Court of Cassation Intervention

FL1001135790 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 9 Jan 90

[Excerpts] A statement on General Avril's trip to the Republic of China from the coalition made up of the Mobilization for National Development [MDN], the Movement for the Organization of the Country [MOP], and the National Agricultural and Industrial Party [PAIN] says: After 16 months of a de facto military government that has disgusted the nation because it is leading the nation into an economic, social, juridical, administrative, and political catastrophe, Lieutenant General Prosper Avril departed on 7 January for Taipei without stating the precise objectives and goals of his visit. (?Moreover), he has no mandate from the Haitian people. [passage omitted]

The MDN/MOP/PAIN statement also says this departure comes at a time when the political parties that are well represented in Haiti—and which represent the nation's vital forces—have denounced the electoral campaign General Avril is openly waging throughout Haiti. [passage omitted]

The MDN/MOP/PAIN coalition points out to the population that there is at present a presidential vacancy in Haiti. The coalition asks that the November 1989 declaration made by six political parties—among them the MDN, MOP, and PAIN—in which the parties demanded Gen. Avril's unconditional resignation so the government could, in conformity with the Constitution, be turned over to the Court of Cassation for the formation of a civilian government of transition, be applied immediately.

The MDN/MOP/PAIN coalition invites the nation, other political parties, and union federations to express themselves freely, immediately and continuously, so, within discipline, cohesion, and unity, this new stage can unfold peacefully and without upheaval, and lead the Haitian people toward the free choice of a civilian government that will be definitive and will set in motion the march toward national development. [passage omitted]

Party Warns of Professional Agitators' Presence

FL1001173690 Port-au-Prince Radio Nationale in Creole 1200 GMT 10 Jan 90

[Text] The general secretariat of the National Union for the Defense of Democracy and Human Rights [UNDDDH], headed by Jocelyn Beauchard, informs national and international public opinion that it has intelligence to the effect that a number of professional agitators, some of whom are international communists, as well as a number of leftist and rightist extremists in Haiti, have

proposed sending out agitators to sow disorder all over Haiti. The purpose would be to encourage the population of Haiti to revolt against the established order, against the 17 September military government headed by Lieutenant General Prosper Avril. They have also proposed beginning a number of arrogant and aggressive defensive actions this week, even against the current military government, so as to oust Gen. Prosper Avril from power.

In this connection, the UNDDDH asks the Haitian people and Army to remain calm and show proof of political maturity and not to allow themselves to be drawn by the extremists into being disorderly in Haiti, for this will endanger the nation's higher interests.

This press release is signed by this political party's founder and president Jocelyn Beauchard; by UNDDDH secretary general Marie Gerthie E. Beauchard; and by Dr. (Roselie Arbouere), who is responsible for public relations.

OP-17 Leader Appears Before Magistrate

FL1001190590 Port-au-Prince Radio Metropole in French 1500 GMT 9 Jan 90

[Excerpts] Former Sergeant Frantz Patrick Beauchard, leader of the 17 September People's Organization, or OP-17, went before the office of examining magistrate Henock Voltaire this morning at the Law Courts in Port-au-Prince. Beauchard was arrested last 13 December in Petit Goave.

We remind listeners that last 1 November the police accused Beauchard, as well as the other three militants who have been in prison at the National Penitentiary ever since, of plotting against national security. [passage omitted]

After 28 days in jail, Beauchard today appeared before the examining magistrate. He has just left the offices of the examining magistrate. [passage omitted]

As Beauchard left the Law Courts, some 10 sympathizers chanted "Freedom, freedom" and "Down with macoutes", as you just heard. [passage omitted]

This is Mobile Unit 19 from the Law Courts in Port-au-Prince for Radio Metropole.

Ministry Announces Appointments, Exoneration

FL1001193290 Port-au-Prince Radio Nationale in Creole 1200 GMT 10 Jan 90

[Text] A press release from the Ministry of Information, Culture, and Coordination announces that by decree dated 4 January, the board of directors of the National Port Authority is as follows: Minister of Economy and Finance Franck Paultre, president; Jacques R. Gabriel, representative of the Ministry of Public Works, Transportation, and Communications, vice president; Mrs. Julie Carre, representative of the Ministry of Commerce and Industry, member; Max Vincent, representative of the shipping agents, member; and Pierre Moliere, management specialist, member.

By decree dated 4 January, representatives of the Haitian Government have been appointed to the board of directors of Ciment d'Haiti S.A.M. This board of directors is as follows: Ministry of Economy and Finance Franck Paultre, president; Dr. Avenant Sylaire, vice president; and Wiener Cadet, member.

By decree dated 5 January, Roland Toussaint is appointed Director General for Worship at the Ministry of Foreign Affairs and Worship.

Also, on 4 January, the government of the Republic fully exonerated Jules Blanchet, who before dying held the following positions: secretary of state without portfolio from 18 June 1958 to 23 April 1959; minister without portfolio from 10 June 1985 to 5 November 1985; principal adviser to the Supreme Audit and Administrative Litigation Office from 7 October 1957 to 5 June 1974, and again from 8 September 1976 to 7 November 1983. Blanchet was also chairman of the Supreme Audit and Administrative Litigation Office from 7 November 1983 to 10 June 1985.

This is a press release from the Ministry of Information, Culture, and Coordination.

Jamaica

State Prosecutors Sign Wage, Benefit Package

FL1001224190 Bridgetown CANA in English 1959 GMT 10 Jan 90

[Text] Kingston, Jamaica, Jan 10, CANA—State prosecutors in Jamaica have signed a 6.3 million dollar (one J dollar - 15.4 U.S. cents) wage and fringe benefit agreement with the government ending months of negotiations highlighted by industrial action.

President of the Legal Officers Staff Association (LOSA), Wendell Wilkins said the 2-year agreement was accepted with "reservation and reluctance".

LOSA said it accepted the contract on the understanding that members would get a further increase under the government's administrative reform program and that the hike would be reflected in their January pay packets.

Under the new agreement, state-employed legal officers will receive a 12.5 percent pay rise during the first year starting July 1, 1989 and a further 15 percent in the second year beginning August 1, 1990. Housing, entertainment, and utility allowances have also been increased and a scarcity allowance of J15,000 dollars and library allowance of J2,000 dollars have been introduced. The robing allowance has moved from 900 to 2,300 dollars a year.

LOSA said it would continue to press the settlement of other aspects of the 13 point claim presented to the Ministry of the Pubic Service in July last year.

St. Vincent and the Grenadines

Prime Minister Holds Talks With EC Director

FL1001184990 Bridgetown CANA in English 1745 GMT 10 Jan 90

[Text] Kingstown, St Vincent, Jan 10, CANA— The European Community (EC) director in charge of West and Central Africa and the Caribbean, Dr. Erich Wirsing, and the Community's delegate for Barbados and the Eastern Caribbean, Eberhard Stahn, on Tuesday held discussions with St. Vincent's Prime Minister James Mitchell. Mitchell said they talked about the Lome Trade and Aid Convention between the EC and African, Caribbean and Pacific states, and aid for St. Vincent.

"We discussed also the economic situation in St. Vincent and what kind of assistance we could expect to get from the European Community," Mitchell reported. He said he suggested using EC aid for projects related to land reform, highway improvement, and education.

Costa Rica

Normalization of Relations With Panama Announced

PA1101030290 San Jose Radio Reloj in Spanish 0100 GMT 11 Jan 90

[Report by William Cespedes from the Foreign Ministry]

[Text] Just minutes ago, Costa Rican Foreign Minister Rodrigo Madrigal Nieto announced that the Governments of Costa Rica and Panama will normalize relations next week. This agreement was reached after talks with Panamanian Foreign Minister Julio Linares.

The Panamanian Government will be accrediting its new ambassador next week. the Costa Rican Ambassador, Jorge Emilio Regidor Mattey, who was appointed about 10 months ago, will travel to Panama. Therefore, Foreign Minister Madrigal said, the excellent relations that Costa Rica and Panama have traditionally and historically held will be normalized. He added that this does not constitute a change in the government's attitude since the emergence of problems with the former Panamanian strongman Manuel Antonio Noriega:

[Begin Madrigal recording] [Words indistinct] an ambassador as soon as possible. I believe that it will appoint an ambassador to Costa Rica in the next few days. We have announced the sending of our ambassador Jose Regidor Mattey to Panama.

Therefore, both foreign ministries will exchange ambassadors. We would like them to be installed in their respective offices at about the same time. We would like to do this simultaneously. This decision in no way constitutes a change in the relations between Costa Rica and Panama. As I said from the very beginning, our relations had in no way been altered. We simply want to upgrade our diplomatic mission to its maximum level.

We believe that this measure is necessary and advisable because our countries share a common border and a long history of friendship and cooperation. We believe that we must step up [words indistinct] our diplomatic delegations. I am confident that you will understand the importance of this decision, which we are glad to announce. [end recording]

That was Foreign Minister Rodrigo Madrigal during a news conference this afternoon to announce the government's decision to normalize its relations with the Panamanian Government headed by Guillermo Endara, which was installed after a U.S. military intervention toppled Manuel Antonio Noriega.

El Salvador

Cristiani To Announce Names of Jesuit Murderers

PA1001141990 Panama City ACAN in Spanish 1312 GMT 10 Jan 90

[Text] San Salvador, 10 Jan (ACAN-EFE)—A government spokesman has announced that within the next 72 hours the Salvadoran Government will disclose the names of the individuals implicated in the murder of six Jesuits, if the investigations are not "hindered."

In a brief statement to the press, Mauricio Sandoval said that Salvadoran President Alfredo Cristiani will, within the period stated, announce "the names of the individuals" who participated in the multiple crime perpetrated on 16 November at the Central American University in San Salvador.

Cristiani announced on Sunday that "members of the Armed Forces" participated in the crime, and that his government will bring those individuals to justice in El Salvador, "regardless of whom they may be."

Sandoval pointed out that "more than seven people were involved in the murder, and two perpetrated it." He added that two different groups acted, one that murdered the clergymen and another that murdered two maids, according to preliminary results issued by the crime commission in charge of solving the case.

"There was no torture or mistreatment, but words were exchanged" between the murderers and victims, the spokesman said, adding that five of the murdered Jesuits had received "finishing shots," according to autopsies carried out by Salvadoran forensic doctors.

According to testimony the commission gathered from 115 members of the Army and 103 civilians, the murder took place between 0200 and 0300, and there were "explosions, machine-gun blasts, and shots," Sandoval said.

The spokesman added that 2 officers and 45 soldiers have been "confined in various headquarters pending investigation."

At least 230 cartridges of various caliber, including some for Soviet made AK-47's, M-79 antitank weapons, and M-67 grenades, were found at the site of the murder, the official said.

Rosa Chavez Pleased With Progress

PA1001212690 San Salvador Canal Seis Television in Spanish 0200 GMT 10 Jan 90

[Text] The Catholic Church has expressed satisfaction with the investigations in the case of the murdered Jesuits and is encouraging the government to continue to search for the perpetrators of this crime.

Monsignor Gregorio Rosa Chavez today stated that the Catholic Church is pleased with the progress of the investigations regarding the murder of the Jesuit priests. He said that if the soldiers involved in the killing are punished, the government will not only earn international prestige, but will lay the groundwork to consolidate the administration of justice in El Salvador.

Rosa Chavez said that if the killing is solved, the period of impunity that has tarnished the judicial system and covered up a number of crimes to which justice has not been applied will end.

[Begin Rosa Chavez recording] It seems that the president should be recognized for having had the courage to keep his promise to conduct a thorough investigation. We understand that he has not yet revealed the details of this crime but that he will do so soon.

However, I want to say something that has not been said: The church is not interested in learning who the murderers are just for the truth to come out. The church wants this punishment to mean that impunity has ended in El Salvador; that the poor will feel certain that justice will prevail for them; that so many crimes that have been forgotten will be solved little by little; but mainly, that from now on, crimes will no longer go unsolved. [end recording]

Msgr Rosa Chavez added that the tone of verbal violence must be lowered since this only results in a useless confrontation and promotes a polarization of the conflict, as well as hinders any effort to apply justice. He said that the verbal war is as harmful as irrational violence. He said that irresponsible charges and accusations continue in the country, and they do not help strengthen the peace process.

[Begin Rosa Chavez recording] It is important to overcome verbal violence. This means that a calm climate, a climate that is as impartial as possible, must be sought to discuss issues. We recall that last year, many violent statements were made. Many harsh expressions were uttered. [Words indistinct] too many heated statements printed in some newspapers. The language used is too harsh. I think that to obtain justice, we need a calmer climate. [end recording]

He added that a climate of serenity and respect would facilitate the right conditions for a dialogue that would guarantee mechanisms to reconcile our society. He urged the government and the judicial authorities to continue making progress in the review of the judicial system to reorganize it in a way that will allow the honest administration of justice to do away with impunity.

UCA Rector on Cristiani Comments

PA1101005890 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Jan 89

[Text] The rector of the Central American University [UCA], Father Miguel Francisco Estrada, has described the government's report that Armed Forces elements are responsible for the killing of six UCA priests as most important, although he also noted that the report is incomplete.

[Begin recording] [Estrada] I believe it is incomplete because we do not yet know who committed the crimes. We only know that they belong to an institution, and this of course is only partial information.

[Reporter] Did you know that the government was going to make this announcement last night, or was it a surprise?

[Estrada] I think it was a surprise because we had been in touch with the president and with the Crime Commission, which is the one carrying out the investigations on orders from the president and the government. They promised us that if we were to cooperate by providing information, they would do everything possible to resolve the problem and carry out the investigations.

At that point I was skeptical, because the persons who have testified have accused the Armed Forces, and I had never seen a Salvadoran president or the Armed Forces making a serious effort to clean up its image and carry out investigations to put members of the Armed Forces in prison. I was skeptical. I had never seen that happen, but facts show that I was mistaken. [end recording]

Father Estrada has admitted that there has been international pressure to have this case investigated, but he optimistically believes that the decision to investigate has been adopted also for the sake of the prestige of the Armed Forces.

[Begin Estrada recording] I am inclined to believe that the Armed Forces are acting not only as a result of pressure, but also because they could be denied military or economic aid. I believe that a crime such as the one being investigated goes against the very essence of the Armed Forces, which exists to protect the citizens, not to harm them. [end recording]

Father Estrada said he trusts in the moral strength of President Cristiani to see this case through to the end. He cautioned, however, that so far nothing new has been said and that a listing of the people involved and a just sentence would be news.

Assembly Extends State of Siege for 30 Days

PA1101042190 San Salvador Canal Doce Television in Spanish 0305 GMT 11 Jan 90

[Text] During today's plenary session the Legislative Assembly extended the state of siege for 30 days. According to the approved decree, only legally registered political parties will enjoy freedom of expression and the right to associate.

[Begin unidentified speaker recording] Civil rights granted under Articles 5 and 24 are hereby suspended by 57 votes in favor. Civil rights granted under Article 6 are hereby suspended by 44 votes in favor. Civil rights granted under Article 4 Paragraph 1 have also been suspended by 48 votes in favor. [end recording]

This uneven voting shows a difference of opinion among deputies regarding liberties that should be restored in the country. ARENA [Nationalist Republican Alliance] and the MAC [Authentic Christian Movement], whose votes are enough to extend the state of siege and keep the other

legally registered political parties from affecting the vote, approved the suspension of all civil rights under the state of emergency.

ARENA and the MAC maintain this decree is a significant political accomplishment that should not be underestimated.

Official on Alleged Air Violation, Arms Discovery

PA1001225390 San Salvador Canal Seis Television in Spanish 0200 GMT 5 Jan 90

[Passages within quotation marks recorded]

[Text] According to statements made by a Salvadoran officer today, despite the change in the leadership of the Salvadoran Air Force, the Air Force will continue its normal activities.

The Salvadoran Air Force maintains the same operational level it has had for the last 10 years, despite the removal of its top commander, Juan Rafael Bustillos, this week.

Paratrooper Battalion Commander Major Rene Rodriguez Hurtado said today that the Air Force will continue to obey the orders of the General Staff and to maintain a similar operational level.

[Rodriguez] "We know General Villamariona [new Air Force Commander] enough to know that we will continue with our battalion's attacks on all the terrorist criminals' redoubts. We depend directly on the General Staff, since it is the strategic head of the entire Army. The General Staff gives us our orders to launch our operations."

Major Rodriguez Hurtado today denied that Salvadoran Air Force planes had entered Nicaraguan territory as the Sandinist government said last week. Maj Rodriguez Hurtado said that Salvadoran Air Force planes have never entered the neighboring territory of Nicaragua.

[Rodriguez] "I can tell you that those were neither Salvadoran nor Honduran planes. In my opinion, the Sandinists want to invent an excuse to continue helping the FMLN [Farabundo Marti National Liberation Front]. Ours and the Honduran planes are small planes. I do not think that Honduran planes entered Nicaraguan territory. Those communists are trying to invent an excuse to continue helping the FMLN terrorist criminals."

Maj. Rodriguez made these statements during the presentation of a number of weapons confiscated by the Paratroopers Battalion on 4 January.

[Rodriguez] "Here we have 12 rifles, 11 AR-15 rifles and 1 AK-47 rifle; 4,000 cartridges, of which 2,000 are for M-16 machine guns and 2,000 for AK-47 rifles; 36 cartridges of an unknown caliber—Military Intelligence has already been informed of this discovery; and 1 (ICON) radio of the type used by the leaders of the terrorist groups."

The weapons were found at El Nispero Creek near the Sacamil neighborhood. Among the confiscated weapons were cartridges of unknown make. This is apparently the first time the Army has found that type of cartridge. Maj Rodriguez Hurtado said that Military Intelligence will proceed to establish the origin of these cartridges and the weapons for which they are intended.

Rebels Ambush National Guard Vehicle, Kill Five

PA1101020490 (Clandestine) Radio Venceremos in Spanish to El Salvador 0038 GMT 11 Jan 90

[Text] On 10 January at 1030, on the 10th anniversary of Radio Venceremos, an FMLN unit commemorated this occasion by ambushing a military vehicle transporting National Guardsmen from Sesori to San Miguel. The ambush took place at El Botijon, in San Sebastian Canton, Sesori, and was carried out using explosives. A few minutes after the fighting began our troops gained control of the situation.

Attention, your attention: The military vehicle was destroyed during the ambush and five National Guard soldiers were killed, including a sergeant who was in charge of the National Guard troops. During this successful ambush in Sesori, we seized from the enemy—the repressive National Guard—three G3-A3 rifles, three sets of military equipment, over 1,000 bullets for G3-A3 rifles, boots, vests, and other military materiel. Two G3-A3 rifles and a PRC-77 military communications radio were destroyed at the site of the ambush. Our people withdrew with no problems.

Armed Forces Report Recent Clashes With FMLN

PA1001223490 San Salvador Radio Cadena YSU in Spanish 1800 GMT 3 Jan 90

[Report by the Armed Forces Press Committee, Coprefa]

[Text] The Arce Battalion Command has reported that about 50 peasants of various ages have been kidnapped by terrorists of the Farabundo Marti National Liberation Front [FMLN] in San Miguel Department. According to that garrison, the mass kidnapping took place on 30 December in San Luis de la Reina. The source added that the terrorists forced the individuals, who were taken to an unknown location, out of their residences, presumably to incorporate them against their will into clandestine groups.

Meanwhile, three subversives were killed and seven others were wounded during clashes yesterday in Usulutan and Morazan Departments. The Atonal Battalion reported that one extremist was killed and five others were wounded during a clash yesterday afternoon near La Esperanza Farm, Santa Elena Jurisdiction, Usulutan

Department. It was also reported that a soldier was wounded and taken to the Military Hospital in this capital.

The same military unit reported that there was another clash that resulted in one dead terrorist and the seizure of various kinds of war materiel near San Rafael Farm in the same town.

In the country's eastern region, Military Detachment No. 4 reported that a terrorist was killed and two others were wounded during a clash in (La Ranera Stream), San Carlos, Morazan Department. An M-16 rifle, cartridge clips, and ammunition were seized there.

Meanwhile, the 3d Infantry Brigade reported that Ponce Battalion units found the decomposed body of a subversive in (La Finca Hill), San Miguel. An M-16 rifle, five grenades, and material for the production of explosives were found in the same place. The brigade, which is headquartered in San Miguel, added that the seizure was made yesterday morning.

National Guard units guarding the Las Canas Bridge, which is on the Northern Trunk Highway in Apopa, this morning repelled a terrorist attack that resulted in no casualties. The armed clash involved mortar and rifle fire and lasted 30 minutes. Members of that security group are combing the area to determine the final outcome of the fighting.

FMLN Units Suspend Public Transport Sabotage

PA1001145690 (Clandestine) Radio Venceremos in Spanish to El Salvador 1800 GMT 9 Jan 90

[Text] We remind all our urban commandos on our General Command's order not to sabotage urban transport unless an ordered transport stoppage is in effect. We repeat: To our FMLN [Farabundo Marti National Liberation Front] units, just as we had reported in a communique from our General Command, urban commandos throughout the country are reminded not to sabotage public transport unless there is a public transport stoppage in effect; therefore, sabotage against urban transport should be suspended.

Honduras

Foreign Minister on Contra Demobilization

PA1001185090 Tegucigalpa Televisora Hondurena in Spanish 0200 GMT 9 Jan 90

[Report by Scarlet Fayet on statement by Foreign Minister Carlos Lopez Contreras—passages within quotation marks recorded]

[Text] [Fayet] Over the past weekend, 10 members of the Nicaraguan Resistance [RN] stationed in Honduran territory were voluntarily repatriated to Nicaragua to join, according to them, electoral and civil life in Nicaragua. This is a positive step toward the peace process, according to observers. For the International Support and Verification Commission [CIAV], this is a step toward the repatriation, demobilization, and massive relocation of contras, according to the commitments established in Esquipulas II, and more specifically, in the agreement signed during the Tela summit, which was ratified in the San Isidro de Coronado declaration, the foreign minister said.

[Lopez] "This is the first indication; it is not an easy process, not simply because I am saying it or because the Honduran Government is saying it. It is a difficult process. I repeat, the Sandinist government has the greatest responsibility, because it corresponds to that government establishing the proper conditions for ease in the repatriation [of the contras] and for the work of the CIAV—which was commissioned by the five Central American Presidents to carry out the task it is now carrying out. Therefore, this is a difficult process. However, at the end of this process, Hondurans will feel satisfied, because we will have fulfilled our duty. Opposition sectors in any neighboring country should return to their countries with the hope that this will be done in a peaceful manner so that they will join the political processes to help consolidate democracy and peace in their own countries."

[Fayet] The departure of the counterrevolution has taken place, the minister added, because the various planned stages have been fulfilled. The first step was the cessation of military aid. The concern many people have now is that in Nicaragua, the presence of international organizations such as the United Nations and the OAS—as requested by the area presidents to observe the pacification process—could be ridiculed.

[Lopez] "This is the last resource we have because tension and mistrust always exist at the bilateral level, and one of the countries is always saying another neighboring country is sheltering and protecting the armed opposition. This is a problem that leads to nothing. Therefore, this problem has been given a regional dimension. Friendly countries in the hemisphere, the United Nations, and the OAS have also contributed in this effort."

[Fayet] It is very unlikely Nicaragua will not fulfill the commitments, the minister said, when in East Europe the walls have fallen down, and [words indistinct].

Nicaragua

Poll Indicates Wide FSLN Lead Over UNO

PA1001235290 Managua BARRICADA in Spanish 6 Jan 90 pp 1, 3

[Text] The results of the third poll carried out by the Research and Opinion Polls [Estudios y Consultas de Opinion Publica—ECO] organization for the Central American University (UCA) in Managua confirm a

definite trend in the way the Nicaraguan people plan to vote, which favors the Sandinist National Liberation Front [FSLN].

In ECO's latest poll in November, the FSLN maintained its wide lead throughout the country and gained a considerable increase in voter preference, going from 42.8 to 47.7 percent, while the right-wing UNO [National Opposition Union] coalition has realized a considerable decline, going from 19.9 to 14.5 percent, according to the poll.

Most of the 4,540 people polled between 18 and 22 December, in 35 municipalities of the six regions in the Pacific, northern, and central parts of the country, confirmed their confidence in the electoral process, and believe that the FSLN will win the 1990 elections.

ECO's latest poll shows that the opposition's credibility has declined. While preference for the FSLN has increased by 4.9 percent among people who have said they will vote, the other parties have realized a voter-preference decline—the UNO most of all—of 5.4 percent among the voting-age population.

The poll's results show that the trends of the two previous polls (October and November) have continued, with a noticeable decline in possible abstentionism, which dropped from 4.5 to 3.4 percent in November. The percentage of citizens who will vote in February rose from 83.3 percent in November to 87.5 percent in this new poll.

In Regions 1 and 6, the FSLN increased its lead over the opposition parties, and considerably widened its margins in Regions 1, 3, and 4.

In Region 1, 47.2 percent preferred the FSLN, while 6.1 percent preferred the UNO, and 2.2 percent favored the other parties. In Region 3, the FSLN is ahead with 46.3 percent of the vote compared to the UNO's 10.6 percent, and the remaining groups' 2.1 percent.

In Region 4, 36.5 percent of the people favored the FSLN, 12.7 percent favored the UNO, and 1.8 percent favored the other parties.

In November, the number of people planning to vote increased by 4.2 percent. Declared abstentionism dropped from 4.5 to 3.4 percent, and the numbers for the undecided dropped from 8.4 to 7.4 percent. This confirms voting-age Nicaraguans' confidence in the electoral process' honesty.

While in November, 61.8 percent of the potential voters said they are convinced that the government is interested in carrying out fair elections, in December this percentage increased by 5.4 percent to 67.2 percent.

Most of those polled believe the FSLN will win the elections, with 56.4 percent favoring the FSLN compared to only 46.9 percent in November, which indicates a 9.5 percent increase in favor of the government party.

The FSLN's presidential candidate increased his lead over the UNO electoral slate and now leads by a margin of 3.2 to 1, with 47.7 and 14.5 percent of the vote respectively.

Meanwhile, the opposition's credibility dropped: 51.4 percent of the people polled said the UNO is incapable of resolving the country's problems, an increase over the 46.1 percent negative opinion voiced in November.

The credibility the FSLN has earned for its government and its peace efforts increased by 7.1 percent compared to November: 55.1 percent of the people believe that the government has improved the country (an increase of over 48 percent in November), and 71.9 percent feel that the government is seeking peace (an increase over 67.4 percent in the past poll).

Among the voting-age population, 62.1 percent expressed confidence in that the Sandinist government will secure a better future for the Nicaraguans, compared to 54.3 percent who felt this way in November. The number of people who felt the contrary has also dropped: It went from 24.2 percent in the past poll to 19.3 in December.

ECO introduced the category of "secret ballot" to give room to a sector of the population that has not made known its decision, because the ballot is secret. However, a significant percentage (45.7 percent) stated they "had already made up their minds." Among the undecided, 47.2 percent declare the FSLN the unquestionable winner of the 25 February elections. Data supplied by ECO for UCA's Research, Academic Development, and Mass Education Institute [Instituto de Investigacion, Desarrollo Academico, y Educacion Popular] were simultaneously gathered in 35 municipalities of Regions 1-7 through interviews with registered voters 16 years or older who lived in previously selected homes.

The size of the sample was 4,540 houses in urban areas, and, of these, 97.6 percent of the interviews were valid, that is, 4,431, while the rejection index and voided questionnaires was 2.5 percent. The margin of error was estimated to be 2 percent. In the design and selection of the sample, quotas were assigned by sex, age group, and region. Homes in urban areas that were to be visited were chosen randomly by a computer, while a map was used to select the houses in rural areas.

Electoral Council Urges Respect for Voter Rights

PA1101003290 Managua Radio Sandino in Spanish 1930 GMT 10 Jan 90

[Resolution issued by the Supreme Electoral Council in Managua; date not given]

[Text] The Supreme Electoral Council [CSE]:

1. In view that an electoral campaign is under way and that we are obliged to ensure that all participants enjoy the guarantees needed to freely exercise their rights;

2. That one of the council's main duties is defined in Subparagraph 6 of Article 173 of the Republic's political Constitution and Subparagraph 10 of the Electoral Law as issuing the appropriate measures as mandated by the pertinent laws to ensure that full guarantees are offered in electoral processes;

3. That in keeping with the aforementioned articles the CSE has issued the appropriate measures since the current electoral process began and received the support of other state branches in their fulfillment;

4. That on 27 December 1989 the Sandinist People's Army General Command, that is, the Defense Ministry, issued a communique that prompted this council's presidency to request an explanation regarding its repercussions on the normal development of the electoral process; that the explanation was given by the defense minister and Armed Forces commander in chief in a 4 January letter, and that all such documents have been amply publicized.

Therefore, in possession of its faculties, the CSE resolves:

1. To publicly make known to all Nicaraguans and the authorities of other state branches that Title 4 of the political Constitution is in full force, and thus all rights and guarantees of the Nicaraguan people [10-second break in reception] and the citizens may use all resources specified in our Magna Carta and the laws of the Republic.

2. To express its firm determination to adopt all the necessary measures within its purview to comply and ensure compliance with the Constitution and the law.

3. To urge electoral authorities to guarantee within their jurisdictional duties the free exercise of the rights of Nicaraguan citizens, political parties, party alliances, popular associations, and their candidates, representatives, and activists.

4. To specifically point out to the Defense and Interior Ministries their duty of looking after domestic security and order and guaranteeing and respecting the rights of those participating in the current electoral process.

Mariano Fiallos Oyanguren, president
Rodolfo Sandino Arguello, vice president
Leonel Arguello Ramirez, magistrate
Guillermo Selva Arguello, magistrate
Rosa Marina Zelaya Velasquez, secretary

UN Group Concerned Over 'Threats' by H. Ortega

PA1101044090 Panama City ACAN in Spanish 2047 GMT 10 Jan 90

[Text] Managua, 10 Jan (ACAN-EFE)—Igbal Riza, Pakistani chairman of the UN Observer Mission for the Verification of Elections in Nicaragua [ONUVEN], voiced his concern today over the "threats" made by Nicaraguan Defense Minister Humberto Ortega in the sense of "executing" opposition members in the event of a U.S. invasion of Nicaragua.

Riza sent a letter to the Supreme Electoral Council (CSE), charged with conducting the Nicaraguan electoral process, noting his concern over the Sandinist People's Army (EPS) 20 December letter, Rosa Marina Zelaya, secretary general of the CSE, told ACAN-EFE today.

Eight days after the U.S. invasion of Panama, the EPS General Command ordered its troops on a general alert and the implementation of the plans to "neutralize, cut off, and execute the traitorous sellouts" in case of a U.S. invasion of Nicaragua.

In his letter, Igbal Riza states that the existence of plans that include terms such as "execution can be easily interpreted as intimidation of the opposition."

"That possibility is obvious, in view of the fact that, as provided by Nicaraguan laws, the National Opposition Union (UNO) has received contributions from the U.S. Government and its members have been received by the top U.S. officials, facts which have been widely disseminated by the national press," the UN official stated.

He explained that "one of the initial effects of Gen. Ortega's communique "was a series of threatening, anonymous calls to UNO Presidential Candidate Violeta Chamorro."

"In these circumstances, we can only convey to you (Mariano Fiallos, CSE president) our concern over this topic. This is a matter on which we ask the CSE to report the measures that have been adopted. We hope such measures will include public statements that will lend tranquillity to the electoral process," Riza's letter concluded.

The CSE, which recently asked Gen. Ortega to explain the EPS document, issued a communique today stating that it will adopt the necessary measures to ensure fulfillment of the laws and to guarantee the participation of citizens and parties in the electoral process.

Gen Ortega stated at a news conference on 6 January that the Sandinist government will not permit "Nicaraguans to serve as guides for the U.S. invaders to hunt down the patriots."

Interior Ministry, Army Salute Constitution

PA1001192590 Managua Sistema Sandinista Television in Spanish 0200 GMT 10 Jan 89

[Communique issued by the Defense and Interior Ministries in Managua; date not given]

[Text] The third anniversary of the new Constitution of the new Nicaragua is being commemorated at a unique historical moment in time when there is optimism, detente, and the possibility of worldwide peace, but when the U.S. intervention in Panama takes place and U.S. aircraft carriers threaten the sovereignty of other

nations. It is a time when a crystal clear, democratic, and pluralist electoral process is taking place in Nicaragua and when the possibilities for a lasting peace lie ahead, but when the counterrevolutionaries murder members of religious orders and civilians and attack cooperatives. It is a time when in the cities and rural areas and despite the economic crisis, the people march happily and triumphantly toward consolidation of a new life and a better future. At this time, our constitution is like a banner of dignity, national sovereignty, and full guarantees of rights and duty for the Nicaraguan citizens.

That is why, proud as we are of our achievements in the defense and security of the fatherland, the Sandinist People's Army and the Interior Ministry respectfully salute each article of our Constitution and we commit ourselves to respecting and defending the constitution with the deep conviction that this Constitution and the free territory that it rules have in our institutions the invulnerable shields held by the enthusiastic and firm hands of our courageous and experienced leaders and fighters.

[Signed] Interior Minister and Commander of the Revolution Tomas Borge; Defense Minister and Commander of the Revolution General Humberto Ortega Saavedra.

Newspaper Reveals UNO Activists' Payroll

PA1001194390 Managua EL NUEVO DIARIO in Spanish 9 Jan 90 pp 1,8

[Text] Sources close to UNO [National Opposition Union] have delivered to our editorial room part of the right-wing coalition's payroll, which reflects the high salaries paid in dollars to their activists and "professional cadre" for carrying out their proselytizing activities. We are waiting for the payroll of those who manage the money because, as you well know, "the one that cuts the pie gets the best slice."

UNO pays the paltry sum of $95,195.00 per month to personnel in two sections of its campaign structure known as "Electoral Control" and "Territorial Organization." The most important directorate board members, such as Edgardo Quintana and Carlos Hurtado, earn a monthly salary of $500.00; heads of the mentioned sections and some "political leaders", such as Mario Montenegro, Antonio Nesme, Salvador Suarez, Enrique Huete, Bayardo Rojas, Chester Guevara, Jose Pallais, Jaime Icabalceta, Luisa del Carmen Larios, Alvaro Chamorro Mora, Humberto Ortega Blanco, Delvis Montiel Diaz and Jaime Cuadra Somarriba earn monthly salaries ranging between $300.00 and $400.00.

These salaries have been paid since September, which means that they have been receiving dollars without notifying the CSE [Supreme Electoral Council] about their source—thereby evading the Electoral Law and provisions on bringing dollars into the country.

In addition to earning their salaries in dollars, these persons grant themselves per diem in the same currency, plus entertainement allowances, plus a percentage for vehicle depreciation, gasoline expenses, and so on. In other words, the salaries that appear on the payroll are nothing compared with the "extras" they obtain for their "self-sacrificing" political work or with salaries earned by Cesar, Virgilio, and the rest of the candidates who are available for a price.

According to our sources, the last straw is that these same persons present forged receipts, as they have in the past and during their participation in the armed counterrevolution—claiming that they have paid their lesser-ranking subordinates or inventing "expenses" to get bigger profits.

One of the motivations for our source to turn over these documents is that the "political leaders" can afford the luxury of renting the latest car models—which they use for their enjoyment and to constantly travel to Costa Rica to visit their families, while their "task forces" or activists cannot even afford to ride a bus.

We present to our people overwhelming proof of the dollars paid to UNO activists so they may not be deceived by these persons' "news conferences," where they rend their clothes claiming unfair competition in the electoral process. They recently told the local and foreign media that they lacked the "funds" to finance their campaign.

Besides, this proves to our people that no one in UNO works for patriotism or in opposition to Sandinism, but rather for a salary—a salary that comes in dollars from the United States.

USSR Donates Aircraft for Commercial Use

PA1001150990 Managua EL NUEVO DIARIO in Spanish 5 Jan 90 p 5

[Text] The new Soviet-made TU-154M Tupolev airplane to be used by Nicaraguan Airlines (Aeronica) for international passenger flights will arrive in Managua on Friday 6 January, and it will be received at the Augusto Cesar Sandino International Airport by Nicaraguan Vice President Sergio Ramirez Mercado.

The airplane, scheduled to arrive in the country at 1100 on Friday 6 January, is a USSR Government donation to the Nicaraguan Government.

Nicaragua also purchased two Soviet-made AN-32 Antonov airplanes in 1989.

These two AN-32 airplanes are being used to transport passengers and cargo to the cities of Puerto Cabezas, Bluefields, and Corn Island. The AN-32 cargo plane is also being used to transport the merchandise that Nicaragua purchases abroad.

The TU-154M has a 164-passenger capacity and will be used in AERONICA's current international routes

within a week. It will soon be flying to Canada, with a stopover in Havana, Cuba. The possibility of operating in other Latin American countries—even Europe—is being considered.

The Tupolev 154M crew, like the AN-32 crew, was trained in Kiev, a USSR city where these airplanes are manufactured.

Construction and Transportation Ministry Spokesman Oscar Sequeira said that eight new Nicaraguan Railroad locomotives will be inaugurated at 0900 on Friday 6 January.

These machines were purchased in Norway for over $3 million, and they arrived at the port of Corinto in September 1989. They will be inaugurated by Dr Sergio Ramirez Mercado in an official ceremony.

The locomotives were adapted to the national railroad system, and some of their parts were assembled in the Nicaraguan Railroad's workshops.

Panama

Noriega Supporters Reportedly in Embassies

PA1001214490 Panama City ACAN in Spanish 2030 GMT 10 Jan 90

[Text] Panama City, 10 Jan (ACAN-EFE)—Foreign Minister Julio Linares asserted today that high-ranking Panamanian military members, government officials, and close collaborators of the former regime of General Manuel Antonio Noriega are in refuge at the Peruvian, Bolivian, Ecuadoran, and Cuban Embassies.

Linares said former corregimiento representative Jorge Isaac Chandek; Carlos Wong, leader of the pro-Soviet People's Party; and Noriega's close collaborator Humberto Lopez Tirone, among other supporters of the regime that was overthrown after the U.S. invasion, have sought refuge in the Bolivian Embassy.

The Panamanian foreign minister did not reveal the names of those who had sought refuge at the Ecuadoran Embassy.

In addition, Linares said the government is investigating whether or not there is "criminal cause" against those in refuge at the Peruvian and Cuban Embassies.

Felicidad Sieiro, Noriega's wife, as well as her daughters Sandra, Lorena, and Thais, are in refuge at the Cuban Embassy along with several collaborators of the former military chief.

Linares said Major Gonzalo Gonzalez, former chief of the elite Macho de Monte Company; Noriega's secretary Marcela Tason; and Maj. Edgardo Lopez Grimaldo, spokesman of the dismantled Defense Forces, remain in the Peruvian Embassy as refugees.

The other two military officers in refuge at the Peruvian Embassy are Maj. Heraclides Sucre and Captain Narcisa Castillero.

Linares Discusses Persons in Diplomatic Missions

PA1101012090 Panama City Circuito PPC Television in Spanish 0032 GMT 11 Jan 90

[Text] U.S. Southern Command troops continue to watch the residence of the Peruvian Amassador on F Street in El Cangrejo neighborhood closely. They are doing so because because persons who were very close to the deposed regime of Manuel Antonio Noriega are inside.

According to the Foreign Ministry, Major Gonzalo Gonzalez, chief of the elite Macho de Monte Company; Major Edgardo Lopez Grimaldo, former spokesman of the Panama Defense Forces; Captain Marcela Tason de Rodriguez, secretary of Manuel Antonio Noriega; Captain Narcisa Castillero; and Major Heraclides Sucre, his wife, and children are inside. According to neighbors and what our correspondents were able to ascertain, the troops carefully search all visitors who arrive at the residence and all vehicles that pass through the area.

In these scenes shot by our cameraman, Jose Casis, Jr, we can see the patio and rooftop of the house in whose swimming pool several children have been seen playing. The troops have posted sharpshooters on the roofs, while outside on the street everything seems to be calm.

Regarding the rumored presence of former officer Luis (Papo) Cordoba, Foreign Minister Julio Linares stated:

[Begin recording] [Linares] Regarding Colonel Cordoba, he is not in the Peruvian ambassador's residence, as far as I understand. On 5 January—if I remember correctly—the charge d'affaires of the Peruvian Embassy advised the deputy foreign minister by telephone that Lieutenant Colonel Cordoba and other persons were in that diplomatic mission. On 8 January the Peruvian diplomatic mission was asked to advise us in writing of the persons who were in that mission. The written communication was sent to us, but the name of Col. Cordoba does not appear on that list. According to the explanations and things that have been published in the daily press, Col. Cordoba gave up on the asylum and left that diplomatic mission. [end recording]

Meanwhile, at the Presidency, Foreign Minister Julio Linares said collaborators of Manuel Antonio Noriega are in the Peruvian, Bolivian, Ecuadoran, and Cuban Embassies.

[Begin recording] [Linares] As far as we know, there are persons under asylum in the Cuban Embassy, as you know, and in the Bolivian, Ecuadoran, and Peruvian Embassies.

[Reporter] Who is in the Ecuadoran Embassy?

[Linares] Professor Carlos Wong and Jorge Isaac Chandeck are in the Bolivian Embassy. Juan de Dios Valenzuela Varas, Humberto Lopez Tirone, Aurelio Ivan Nieto Andrade, and Jose Antonio Enhorabuena Palma are in the Ecuadoran Embassy.

[Reporter] Why are stronger actions not taken regarding the diplomatic missions of those governments that do not recognize the government of Endara?

[Linares] The fact that they do not recognize President Endara does not mean we will stop recognizing the immunity to which they are entitled. Obviously, if at a given moment they persist in not recognizing President Endara, we could ask them to withdraw their diplomatic mission from Panama and we would do the same with our diplomatic missions accredited abroad. The most we could do would be to either leave a minimum number of officials in the embassies of these countries in Panama so they can maintain the persons who have been granted political asylum, or these persons could be transferred to another embassy. [sentence as heard]

[Reporter] What has been Endara's reaction regarding the attitude of the government of President Alan Garcia?

[Linares] I think the statements made by President Alan Garcia and by his foreign minister explain why his political popularity has waned throughout his term. It also explains the reason why the expectations when he took over the Peruvian Presidency have been totally frustrated.

[Reporter] Daniel Ortega's government has said it will not withdraw any of the members of its diplomatic mission here in Panama, once again being contrary to the Panamanian Government.

[Linares] I do not believe any government can impose decisions on another government regarding whether it should maintain diplomatic officials or a diplomatic mission. Therefore, Mr. Ortega can say that he will not withdraw the personnel, but if at a given moment Panama severs relations with Nicaragua, I hope that situation will not occur. He would have to withdraw his diplomatic officials. [end recording]

Former Immigration Director Leaves Nunciature

PA1001224990 Panama City ACAN in Spanish 2207 GMT 10 Jan 90

[Text] Panama City, 10 Jan (ACAN-EFE)—Belgica de Castillo, the immigration director of the former Panamanian regime who had taken refuge in the Apostolic Nunciature, surrendered together with her husband to U.S. troops today, diplomatic sources have announced.

The sources noted that the couple was taken in a U.S. armored vehicle to Fort Clayton on the outskirts of the capital.

Belgica de Castillo and her husband were at the nunciature, together with former General Manuel Antonio Noriega, who also surrendered to U.S. authorities on 3 January to be tried on charges of drug trafficking and money laundering.

Meanwhile, George Fisher, labor minister of the former regime, was arrested this afternoon in a hotel in the capital (Marriott) by U.S. troops, eyewitnesses told ACAN-EFE.

Captain Asuncion Eliecer Gaitan, former chief of the personal bodyguard of Noriega, and four ETA members, who took refuge there following the 20 December U.S. military invasion, remain at the nunciature.

Dominican Envoy Views Efforts on Noriega Family

PA1101021490 Panama City ACAN in Spanish 2302 GMT 10 Jan 90

[Text] Panama City, 10 Dec (ACAN-EFE)—Hector Pereyra, Dominican ambassador to Panama, told to ACAN-EFE today that General Juan Rene Beauchamps, retired, the former minister of the Armed Forces of his country, is apparently in Panama to speak to his son, the son-in-law of General Manuel Antonio Noriega, who has sought asylum at the Cuban Embassy.

The diplomat said the retired Dominican general "as is logical, may want to speak to his son," who has the same name as the general and is married to Sandra Noriega, who has also taken asylum at the Cuban Embassy with their several-month-old daughter.

In addition to Sandra, her Dominican husband, and their small daughter, Felicidad Sieiro, Noriega's wife, and two other daughters, Lorena and Thais, are in the Cuban Embassy.

Unconfirmed reports from Santo Domingo state that the retired Dominican general came to Panama to try to get his son, his son's wife, and her family transferred from the Cuban Embassy to the Dominican Embassy, so as to later request safe conduct from the Panamanian Government for them to travel to the island.

Pereyra, although he admitted that he arrived in Panama on the same flight as Gen. Beauchamps, said he is not aware officially of the general's business in Panama.

Sources at the Panama Attorney General's Office told ACAN-EFE that Felicidad de Noriega and her daughters Thais and Lorena have been charged by a local lawyer with "concealing" and "making use of things acquired illegally."

Attorney General Rogelio Cruz told ACAN-EFE today that these charges "could thwart" the wishes of the Noriega family to leave for a third country as "political refugees."

Safe Conduct To Be Denied to Noriega Family

PA1001185490 Hamburg DPA in Spanish 1732 GMT 10 Jan 90

[Text] Panama City, 10 Jan (DPA)—The wife and three daughters of ousted General Manuel Antonio Noriega, who have taken refuge in the Cuban Embassy in Panama, will not be allowed safe conduct to leave the country, because criminal charges have been filed against them with the office of the attorney general.

A spokesman for the General Secretariat of the Attorney General's Office told DPA today that Felicidad Sieiro de Noriega and her three daughters—Lorena, Thais, and Sandra—have been accused of the "concealment and use of illegal gains."

The charges were filed by local attorney Rellys Sierra Goitia, who also filed charges against the National Assembly of Corregimiento Representatives, the members of which proclaimed Gen. Noriega head of the Panamanian Government on 15 December.

The Cuban Embassy recently presented to the Panamanian Foreign Ministry a request that safe conduct be granted to the Noriega family to allow them to leave the country.

Reports indicate that there are still 24 people being granted asylum in the Cuban Embassy and embassy residence, which are still surrounded by the U.S. Army.

In addition, it was reported that charges of "torture and murder" have been filed against Major Gonzalo Gonzalez and Captain Heraclides Sucre, who have sought asylum in the Peruvian Embassy.

Gonzalez was the head of the elite "Macho de Monte" company that put down an attempted coup against Gen. Noriega on 3 October.

A spokesman for the Attorney General's Office also said that an undetermined number of charges have been filed against Gen. Noriega and former Attorney General Carlos Augusto Villalaz.

Attorney General Warns Diaz Herrera of Arrest

PA1001223090 Panama City ACAN in Spanish 2122 GMT 10 Jan 90

[Text] Panama City, 10 Jan (ACAN-EFE)—Attorney General Rogelio Cruz warned today that if retired Colonel Roberto Diaz Herrera decides to return from Venezuela, "I will order his arrest" so his prison sentence can be carried out.

Speaking at a news conference, Rogelio Cruz explained that he is aware that the trial brought against the former Panama Defense Forces [PDF] chief of staff in December 1987 was "rigged," but he said the trial "had a sentence handed down that must be fulfilled."

"If Roberto Diaz Herrera comes to Panama during the time that he should have been serving a prison sentence, I will order his arrest," Cruz declared.

Diaz Herrera has been exiled in Venezuela since December 1987, after he was arrested and accused of engaging in crimes against the state.

The former military officer leveled serious charges in June 1987 against former General Manuel Antionio Noriega, for which he also took the blame. The charges were the fuse sparking off the crisis that culminated with the 20 December U.S. invasion.

Diaz Herrera, in a telephone interview with a radio station of this country, said he wants to return to the country on an undetermined date because, he said, "I have the legal right to enter Panama proudly."

Cruz did not rule out that the retired military officer may benefit from an amnesty or pardon, but he also said that he stands to be accused by any private citizen for the crimes of which he declared himself guilty.

Colonel Herrera Comments on Public Force's Role

PA1101000790 Panama City Circuito RPC Television in Spanish 2300 GMT 10 Jan 90

[News conference by Public Force Commander Colonel Eduardo Herrera Hassan with unidentified reporters following a meeting between top leaders of the Public Force and President Guillermo Endara and Government and Justice Minister Ricardo Arias in Panama City on 10 January—recorded; broadcast in progress]

[Text] [Herrera, in progress]...the issues of exile and our struggle to oust Mr. Noriega.

[Reporter] What will the role of the new Public Force be?

[Herrera] It will be a force that will be loved by our people in keeping with the wishes of the president and the government and justice minister.

[Reporter] Vice President Arias has said a new force will be established to fight any kind of emerging insurgency in Panama at any given time. We would like to know its composition and whether it will be guided by Army principles.

[Herrera] No, that is not necessary. We only need a force that is capable of fighting any insurgency that might emerge here. We have the resources to...

[Reporter, interrupting] What will be its composition? By companies or what?

[Herrera] It depends. It could be made up of small units capable of solving any internal problems.

[Reporter] Do you fear a new guerrilla outbreak in Panama in the wake of the U.S. invasion, and a certain opposition that is already emerging in the country?

[Herrera] Not for the time being.

[Reporter] What is your opinion regarding the Costa Rican suggestion to abolish the Panamanian army?

[Herrera] I believe that our case is different. We have a responsibility to fulfill in the year 2000.

[Reporter] There is a virtual demilitarization of the Armed Forces. What is your opinion?

[Herrera] I believe our actions are in keeping with our situation. We do not really need an Army here at this time.

[Reporter] What about the defense of the canal?

[Herrera] That is a problem of another generation...

[Reporter, interrupting] Is that not somewhat dangerous, Colonel?

[Herrera] No...

[Reporter, interrupting] It is only 10 years away.

[Herrera] Yes, but I believe we still have enough time.

[Reporter] Any talks about the establishment of a Latin American Army to defend the canal?

[Herrera] Not yet.

[Reporter] Do you share the thesis that the canal cannot be defended?

[Herrera] Yes, it cannot be defended. I believe it has always been said that its best defense is the Panamanians' love for it.

[Reporter] What about the withdrawal of the U.S. soldiers? Was that also discussed today?

[Herrera] No.

[Reporter] Have there been contacts with the U.S. Southern Command to discuss the demilitarization of Panama on the part of the United States?

[Herrera] It is gradually withdrawing troops. I believe the 82d Division is already returning to the United States. We are gradually assuming control of the city.

[Reporter] How are the relations between the new government and the new Public Force?

[Herrera] Excellent.

[Reporter] How is the morale of the Public Force members who are virtually under orders of the Southern Command?

[Herrera] I do not believe that morale is low, because nearly 90 percent of the members of the now defunct Panama Defense Forces heeded our call to sign up for the new Public Force.

Ministry Orders Public Force To Arrest Looters

PA1101012590 Panama City Telemetro Television in Spanish 2304 GMT 10 Jan 90

[Text] The Government and Justice Ministry, in view of the looting that has occurred in the former Panama Defense Forces [FDP] Headquarters, the Juvenile Court, and other properties, as well as in other parts of Chorrillo and San Miguelito, advises that it has ordered the new Public Force to arrest and turn over to the proper authorities those persons caught looting or found with stolen goods.

For this purpose, the pertinent instructions have been issued so the persons arrested will be taken to prisons set up for this purpose because of the urgent public order situation.

It has also been announced that any movement of property must have prior authorization.

Endara 'Uncomfortable' With U.S. Presence

PA1001172890 Paris AFP in Spanish 1620 GMT 10 Jan 90

[Text] Quito, 10 Jan (AFP)—President Guillermo Endara, who has said that he does not care how history judges him, disclosed that he "is uncomfortable" with the U.S. presence in his country, and reproached Latin America for its lack of support in an interview broadcast today by the local television network, Ecuavisa.

Endara said the "ideal" situation would have been for the Latin American countries to have helped "and they could have done so, but our brothers, because of things that happen in families, did not respond to us," he said. He included the OAS in that assessment.

Endara also recalled that in interviews with foreign reporters before the 20 December invasion, he had said that "Panamanians would applaud a U.S. intervention, but it could not be too long-lasting, because then the people would get rid of them in an unpleasant manner."

He added that the thing to do now is rebuild the public order system and the economy, "so the U.S. presence can end as quickly as possible for everyone's benefit."

The Panamanian people "chose me" to be president of the Republic, and this, in addition to being an honor, is an obligation to the people that "I have had" to assume in a very difficult situation and one that "I would never have accepted under other circumstances," Endara said.

Asked how history will judge him, Endara said that he does not live for history. "I live for my people. I am doing my duty for my people, that which is most important. History can call me what it will; I do not care," he said.

Colon Leftists Commemorate 9 January Martyrs

PA1001175790 Panama City Circuito RPC Radio in Spanish 1730 GMT 10 Jan 90

[Text] Fewer than 150 people participated in an event to commemorate the 9 January 1964 incidents in Colon. However, more than 80,000 Colon residents sadly listened to members of paramilitary groups, Dignity Battalions, leftist unions, and organizations who attacked our nascent democracy over a radio network. These groups took over this event organized by Omaira Elbain to criticize the 20 December U.S. intervention, openly defending the regime of dictator Manuel Antonio Noriega. Although they did not mention any names, their defense of Noriega was clear. They said the true culprits of the invasion of Panama were the former members of the Panama Defense Forces because they surrendered in a cowardly fashion without defending the fatherland.

Colon residents criticized the speeches by Omayra Elbain, Gerardo Gonzalez, Eric Gonzalez, and others. Though no Panamanian requested this intervention, it was necessary to put an end to Manuel Antonio Noriega's dictatorship. Many felt the event was an offense to the 9 January martyrs, but to prove that there is democracy in Colon, the governor's office allowed these groups to air the ceremony over the radio, an action that was impossible in the past and that would have resulted in the closing of the radio stations, as well as in the incarceration and torture of those who participated.

EC Envoys Express Will To Provide Assistance

PA1001214290 Hamburg DPA in Spanish 2048 GMT 10 Jan 90

[Text] Panama City, 10 Jan (DPA)—The ambassadors of the European Economic Community (EEC) in Panama expressed today "their political support" for President Guillermo Endara and their willingness to cooperate in carrying out projects for the country's development.

Ambassadors Geotz Von Boehmer (FRG), Antoine Rummelhardt (France), Enzo Montano (Italy), and Tomas Lozano (Spain) visited Vice President and Planning Minister Guillermo Ford today to express their wishes. The German diplomat told DPA that during the talks, Ford told them that there are many plans to reconstruct Panama, particularly to rebuild freeways, railroads, and hospitals, but that there must be a waiting period for the government to be able to carry out these plans. He announced that the FRG had begun to send support by sending 300 kg of medicine to Panama on 26 December. The FRG also strives to maintain and expand its plans to provide training for Panamanian technicians.

Weapons Said Hidden at University of Panama

PA1001171790 Panama City EL PANAMA AMERICA in Spanish 10 Jan 90 p1

[Article by Althea F. de Chavarria]

[Text] Gladys S. Roman de Rios, president of the Authentic Association of University of Panama Professors [Autentica Asociacion de Profesores de la Universidad de Panama] (AAPUDEP), said that members of this organization harbor well-founded fears that there are hidden weapons on campus. These weapons, she added, could endanger the lives of many students if the university was to reopen and violent situations arose.

Rios stated that there are "Dignity Battalion" and CODEPADI [Committees for the Defense of the Fatherland and Dignity] members and leftist groups at the university. These leftist groups have expressed a desire to attack the government from the university to accomplish their respective political objectives.

The main AAPUDEP concern, a concern expressed to University Rector Abdiel Adames in a communique, is that there are people who have introduced weapons at the university and that despite the fact that university authorities were warned about this, they have not conducted an investigation to find the weapons.

Rios mentioned the Business and Public Administration Schools, the Security Department, and the Analysis Specialized Institute as places where witnesses watched as weapons were being introduced.

She also said that in a meeting with the rector, reference was made to some documents signed by the deans stating that they had checked the installations and had found no weapons. However, she said, this is no full guarantee, because the weapons could have been removed by university workers who were members of the so-called "Dignity Battalions" and the CODEPADI.

University Academic Council Suspends Classes

PA1101014690 Panama City Circuito RPC Television in Spanish 2356 GMT 10 Jan 90

[Text] The University of Panama Academic Council met this morning to discuss the reopening of the University of Panama and aspects dealing with security on campus and in the University of Panama regional centers.

The University of Panama Academic Council clarified for the Panamanian people in general and especially for the university community that assertions pointing to the possible existence of weapons inside the university are completely groundless.

The University of Panama vigorously stated that each school, institution, research unit, and administrative building has been carefully inspected by the various deans and directors, who along with professors and administrative and security personnel issued official

documents certifying that there are no weapons or any type of war material in the university facilities.

The Academic Council told University Rector Adames that in compliance with the University of Panama organic law, he should ask the Panamanian Government to form a commission composed of appropriate civilian authorities, who, along with university authorities, would conduct new searches on the main campus, in regional centers, and in other university institutions to confirm that there are no weapons at the University of Panama.

In addition, during its meeting today the University of Panama Academic Council agreed to suspend classes during the months of January and February. Those 2 months will be considered vacations for professors and students.

The Academic Council said it will assess the way in which the country's and the university's situation unfolds to guarantee the fulfillment of the goals and objectives that the Constitution and the organic law have assigned to the university.

Further on, the University Academic Council stated that the remaining academic, administrative, and research work will continue to be conducted normally.

Former President Solis Palma Requests Bond

PA1001182790 Panama City Circuito RPC Radio in Spanish 1745 GMT 10 Jan 90

[Text] [Announcer] As we reported earlier, the Attorney General's Office on 8 January summoned Former President Manuel Solis Palma, who has since been charged with contempt of court. Again today, Solis Palma did not heed the summons, but his lawyer requested to post bond.

We now bring you a report by Alvaro Alvarado directly from the city:

[Alvarado] Here we are in the public relations office of the Presidency of the Republic. Rogelio Cruz, the attorney general of the nation, today hosted a news conference and issued the following statements.

[Begin recording] [Cruz] Concerning Mr. Manuel Solis Palma, we are able to report that early this morning, a person requested to post bond on behalf of Mr. Solis Palma so he would not be arrested. In this respect, the law is very clear. In such cases, we are obliged to send the dossier to the penal court in charge of the case to resolve the matter. We hope the request for bond will be resolved as soon as possible so we can resume the legal proceedings in this case. [end recording]

[Alvarado] You have just heard that Former President Manuel Solis Palma has requested to post bond to prevent his arrest once he arrives at the Attorney General's Office. This is the information we have so far. The Public Force authorities are currently meeting at the Presidency of the Republic with Guillermo Endara. We will provide you with details on this later.

Former Peruvian Ambassador Supports Endara

PA1001154490 Panama City CRITICA LIBRE in Spanish 10 Jan 90 pp 1, 15

[Article by Arnulfo Mendoza]

[Text] Journalist and diplomat Mario Castro Arenas, former Peruvian ambassador in Panama, has offered the details of his resignation as a high-ranking diplomat at the Peruvian Embassy.

The distinguished figure begins his dialogue by stating that his resignation from the team of officials working at the Peruvian Embassy was the result of a difference of opinion with Peruvian President Alan Garcia, who said that "President Guillermo Endara Galimany's government was imposed by the U.S. Army's weapons."

"I have argued that in May 1989 the Panamanian people elected Dr. Guillermo Endara Galimany as president by an overwhelming and unquestionable majority, and the United States' military actions in Panamanian territory do not invalidate that genuinely democratic election—particularly when the Electoral Tribunal of Panama has proclaimed the victory of the presidential ticket led by Endara."

"I feel satisfied because I defended the Panamanian Government's electoral legitimacy long before the Electoral Tribunal's announcement."

The former diplomat emphasized that the statements issued by the diplomats who are currently at the Peruvian Embassy in Panama "condemn the U.S. invasion and violate the principles of nonintervention in sovereign states" and "that is not their responsibility at all;" adding that the current residents in the embassy "are the Peruvian Government's informers."

Mario Castro Arenas also said the media in his country has issued their views advocating recognition of Guillermo Endara's Government, and the interviews carried out by the media at every social level in Peru equally agree that Panama has legitimately elected leaders. Therefore, there is a contradiction between the official position of Alan Garcia's government and what the majority of the people state in his country.

The former Peruvian diplomat said: "The OAS Charter includes the principle of nonintervention, meaning that no country can intervene militarily, economically, or politically in the affairs of another sovereign state."

"I support and respect the principle of nonintervention, but the Panamanian situation is very complex, with very important connotations, and, therefore, the image of an invading foreign army subduing another nation is not appropriate in Panama's case.

"On 25 December, I reported my disagreement with the position adopted by Alan Garcia's government and I publicly announced my resignation from the post with which President Garcia had distinguished me."

"I spurn the use of insults, not only against heads of state, but also against individuals, and an insult against a president elected by the people in a democratic way represents not only an insult against the president's person, but also against all the Panamanian people." The statement was given by the former diplomat referring to statements by Peruvian Foreign Minister Guillermo Larco Cox—who said Panamanian President Guillermo Endara Galimany was the Judas of America.

Mario Arenas, the journalist-diplomat, also sent a message to the Peruvian people living in Panama, where everything is returning to normal after the perils of recent days, saying that their contributions will help rebuild Panama.

Arias Discusses Judicial System, Public Force

PA1001135490 Panama City Radio America in Spanish 1100 GMT 8 Jan 90

[Report on statements by Ricardo Arias Calderon, first vice president and minister of government and justice—passages within quotations marks recorded]

[Text] During the 7 May elections, the people demanded justice. Arias Calderon, who is responsible for reorganizing the judicial system and Panama's judicial police, will tell us about the operation of and the criterion for the judicial system, the composition of the new Public Force, and the role of the local authorities.

[Arias] "Thank God we already have a serious, capable, and independent Supreme Court of Justice that represents a guarantee for the Panamanian people. With this court, the Panamanian judicial system will be reorganized to the extent that the administration of justice can carry out the enormous task ahead and to the extent that the Panamanian prisons are rebuilt. All of the cases of detained persons will gradually be handled by the Panamanian judicial system. Those found guilty will be interned." Local and international newspaper reporters asked Arias Calderon several questions about the plan to create a public force in Panama patterned after the Costa Rican judicial police.

[Arias] "What are the Panamanian people's security needs? We mean security with full respect for human rights, because they are inseparable. Anyone trying to offer security without respecting human rights will fail. Anyone trying to respect human rights without providing security also fails. The two are inseparable realities. The first, the fundamental security needs of the Panamanian people, relates to respect for their lives, properties, and honor. These needs can be met by a modern, technical, and professional police system.

"This is the Panamanian people's great priority need. It is on this need that the full effort of the Public Force is being concentrated. Nevertheless, we live in a complex, sometimes dangerous world. The country's needs might be greater than before. We will mention some factors that can represent security problems, for instance, the number of weapons the dictatorship distributed to irregular groups and fanatics, who have demonstrated their ability to perpetrate violent actions. More than 70,000 firearms, some of them high caliber, have been confiscated. We do not know how many more remain to be accounted for. In addition, although, thank God, the groups that helped create a situation of looting, chaos, and violence during the first days after the U.S. military action are not active any longer, they are still in touch with one another and this connection will not disappear overnight. Because of this, the president, the minister of government and justice, and the entire government must pay close attention to these groups.

"Furthermore, we do not know how the drug-trafficking rings will react. They had an ally in the person who controlled this country and put it at the service of these rings and their criminal purposes. These groups are extremely violent, as they have shown in Colombia. We will learn how they will react only after time, when they see that there is a government here determined to release our country from all participation in drug trafficking and money laundering.

"I will also mention a concern of a different kind. We do not yet know how the Cuban Government will react. We have acted on this subject with common sense and equity. Will they understand that this government represents the Panamanian people's will? Are they willing to keep normal state-to-state relations with mutual respect? Or to the contrary, will they feel frustrated and repeat some of their actions of the past—which we expect them to stop—to promote and encourage distubances of various kinds? We hope this is not so. We are willing to keep normal relations with all states in mutual respect and to follow the principle of strict reciprocity. If things do not work out like this, we cannot help it. Although not immediately, in the near future we will have to deal with certain security issues, which we, as the national government, must be able to handle with the Public Force. Without being an army and without having an air force or a navy, the Public Force will have only the essential human and material resources to protect our people, property, and honor in this country. With this force we should be able—although we hope it will not be necessary—to cope with greater problems by ourselves using our own resources."

Immigration Chief Views Illicit Passport Deals

PA1001152590 Panama City EL PANAMA AMERICA in Spanish 9 Jan 90 p 1

[Text] New Immigration Director Jose Chen Barria has advised of an illegal deal concerning the issuance of passports, visas, and residencies to citizens from the

People's Republic of China, Libya, Cuba, and India. Chen Barria said that the deal could have produced $45 million over the past 5 years.

During a news conference, Chen Barria revealed that over the past 5 years, 45,000 citizens from the aforementioned countries entered Panama and paid an average of 10,000 balboas each to become Panamanian citizens.

Chen Barria announced that he presented a formal accusation before the Attorney General's Office against eight former Immigration Department directors, who were caught destroying evidence that implicated them in the illegal dealings.

Although Chen refused to reveal the names of the former officials involved in the illegal deal, EL PANAMA AMERICA managed to learn that the list includes former Immigration Director Belgica del Castilo, former Deputy Immigration Director Carlos Kinkerd, former Secretary General Briceida de Arguelles, former Administrative Secretary Agustin Abrego, former Security Chief Eduardo Peralta, Raul Millian, Nelson Figueroa, and Ovidio de Arco.

The new Immigration Department director explained that the one who arranged the arrival of the PRC citizens in Panama was former Panamanian Consul in Hong Kong Ciro Noriega, a relative of overthrown General Manuel Antonio Noriega.

Immigration Department statistics show that between 1985 and 1989 a daily average of 25 Chinese and Cubans arrived in Panama.

Chen Barrian announced that several of those involved in the illegal selling of visas are under arrest at U.S. Army installations in the canal area.

Chen Barria stated that officials of the Electoral Tribunal and the Passport Office are also involved in this illegal activity.

Chen Barria said the Immigration Department will legalize the status of those exploited foreigners, because they were in fact "victims" of the previous authorities.

The new Immigration Department director added that the executive branch will decide whether Panama will continue to be a country of transit for Cubans who want to travel to the United States.

Immigration Chief Notes Noriega Regime 'Targets'

PA1001131590 Panama City CRITICA LIBRE in Spanish 9 Jan 90 pp 1, 5

[Text] Immigration Department Director Jose De los Santos Chen Barria has reported that the names of 53 Panamanian citizens appear on a blacklist prepared by agents of repression assigned to the office.

These citizens, described as "targets of interest," have been active in the Civic Opposition Democratic Alliance and the Civic Crusade, for which they had been marked by the Noriega regime for the evil purposes that were the trademark of the state security.

This list, kept in the department's files, reveals the intention of the regime of now ousted dictator Manuel Antonio Noriega to harm those who dissented against his tyranny.

Chen Barria added that he has learned that eight people have been detained by the U.S. Army. [chen barria dijo que encontro a ocho personas detenidas por el ejercito norteamericano.]

Later, Chen Barria filed charges against Belgica de Castillo, former director of immigration, and 10 other officials, all linked to the previous regime, at the Prosecutor General's Office, for a number of crimes and corrupt practices.

Castillo, who sought refuge at the nunciature, used her influence with the military regime for all types of illegal activities, such as receiving bribes, destroying public documents, breaching the security of safes, stealing money, misappropriating personal property, and corrupting public officials.

There were even three separate bank accounts at the National Bank—worth $3 million—used by top officials of the Immigration Department. The accounts will be investigated by Prosecutor General Rogelio Cruz.

Other officials involved in the report are Edgardo Lopez Jr., Agustin Abrego, Carlos Kinkerd, Luis Carlos Quezada, Edgardo Trevia, Ovidio de Arco, Raul Millan, Nelson Figueroa, Eduardo Peralta, and Briseida de Arguelles. Chen Barria also told reporters that Chinese citizens usually paid between $10,000 and $15,000 to enter Panama. According to the document entitled "The Moving World," a copy of which was obtained by CRITICA LIBRE reporters, this payment has enabled Chinese to get visas and documents since 1985.

According to the report, 2,500 people "have obtained documents to enter the United States and Canada."

Top officials of the Noriega regime issued "false documents, for each of which they received between $5,000 and $7,000. The profit from a single document amounted to more than the official's salary."

The document also said that Ciro Noriega, a relative of the deposed Panamanian strongman, who is now being held in Miami for alleged drug-trafficking connections, was Panamanian consul in Hong Kong at the time.

This particular official charged $150 "for each visa and $150 for each medical certificate."

The report also revealed that "the consulate recommended a certain travel agency in Hong Kong to buy the Hong Kong-Europe-Panama air ticket, which costs $2,400. More than 100 tickets were sold every week."

The list of citizens who had been described as "targets of interest" by state security is as follows: Raul Adames Quiros, Roberto Ramon Aleman Healy, Roberto Ramon Aleman Zubieta, Leticia Arias Fonseca, Esther Maria Bazan Aguilar, Modesto Bedoya Quintana, Alberto Archibaldo Boyd Arias, Fernando Joaquin Boyd Galindo, Carmen Lidia Boyd Marciaq, Jorge Luis Bulgin Branca, Manuel Gualberto Burgos Velarde, Roberto Gonzalo Brenes Perez, Luis Guillermo Casco Arias, Nelson Javier Cedeno Frias, Milciades Cerrud Montenegro, Alberto Bolivar Conte Magdaleno, Rogelio Cruz Rios, Luis Carlos Del Rio Feullevois, Jorge Juan de la Guardia Romero, Viviana del Carmen de Janon Aleman, Warland Aurelio De Janon Fotich, Henry George Ford Boyd, Jose Luis Ford Hernandez, Olmedo Enrique Guillen Anguizola, Tomas Efrain Herrera Calix, Guillermo Inchausti Alvarez, Mireya Jaramillo de Perez, Narda Isabel Juarez de Gonzalez, Pierre Gaston Leignadier Arcia, Elvia Emilia Ramona Lefevre de Wirz, Alfredo Luis Maduro Sasso, Gilberto Joaquin Mallol Tamayo, Enrique Bolivar Marquez Pascual, Raul Ernesto Mendez Anguizola, Edgardo Mendoza, Jose Luis Moreno Martinez, Jose Raul Mulino Quintero, Coralia Navarro, Silveria de Navarro, Otilia Ortiz, Rafael Augusto Perez Ferrari, Virgilio A. Ramirez, Jose Manuel Rodriguez, Ivan Romero Gonzalez Revilla, Flor Alba de Santamaria, Francisco Silvestre Madrinan, Cesar Augusto Tribaldos Giraldez, Eduardo Vallarino Arjona, Bosco Ricardo Vallarino Castrejon, Alonso Olmedo Villarreal Pinzon, Rafael Zuniga Brid, Carlos Ivan Zuniga Candanedo, Jeannette Astrid Wolf de Vasquez.

'Vandals' Destroy Radio Station Transmitters

PA1101002790 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Jan 90 pp 12, B2

[Text] The general manager of the Onda Popular Radio System in the following note reports the vandalism perpetrated at the radio station he owns:

Panama, 8 January 1990
Tomas G. Altamirano Duque
General Director
LA ESTRELLA DE PANAMA
Panama City

Mr. Director:

As is known to the public, Radio BB's transmitters were burned by vandals. For technical reasons, the Onda Popular Radio System shared facilities with Radio BB, which had its 10-kilowatt transmitter completely destroyed.

This attack on freedom of speech will keep us off the air for some time. Nevertheless, trusting in the benevolence and understanding of the bank that had made a loan to us, which we are still repaying, I firmly believe we will soon return to the air, thereby serving our listeners, friends, and clients.

I hope the new government headed by President Endara will put an end to the repressive acts that irresponsible individuals have been perpetrating to the detriment of the working classes in a country like ours, which, today more than ever, requires the concerted effort of all Panamanians to get back on its much desired course of progress, peace, and productivity.

I thank you for publishing this note.

Sincerely,

Hector Gonzalez Arauz

General Manager

Article Thanks Bush for Action To Oust Noriega

PA1101023890 Panama City LA PRENSA in Spanish 10 Jan p 10A

[Article by Ernesto de Diego: "Be Alert Panama"]

[Text] The thoughts I am going to express in this article are my truth, my own personal and subjective opinion of the current Panamanian reality, and, as such, I assume full and total responsibility for them.

The Panamanian people are celebrating. The celebration should be big, so big that 20 December should be declared a national holiday from now on.

Panama is celebrating because it regained its freedom. Without any doubt, the Panamanian people obtained an overwhelming election victory. In a free country that victory would have been enough to transfer power to the election winners on the appropriate date. In that way, the new government would have begun its campaign to bring decency into the hierarchy of the high-ranking military and civilian authorities. That would have given true meaning to the concept of a democratic system in which the citizens vote and receive the benefit of an honest, just, dynamic, and creative government... Amen!

Our reality was different. We lived under an iron-willed and oppressive dictatorship that appointed and dismissed presidents at will and never had the intention of relinquishing power. Noriega was not going to leave unless he was ousted by force.

Two striking phrases used during the election campaign speeches encouraged me. Those phrases are: "This damned thing is over" and "You don't lose a fight until you stop fighting." During a moment of childlike naivete, I thought we Panamanians were being called upon to be ready to surrender our lives if need be and to fight, to fight, or to die fighting, but with a weapon in our hand that would turn our fight into a collective suicide filled with courage and nobility but lacking any chance of success.

The dictator took those phrases very seriously and armed his people in an inordinate manner. He formed the ill-named Dignity Battalions made up of civilians who

would face what he interpreted as a challenge to his dictatorship by the opposition political groups.

I became increasingly discouraged when I saw that while Noriega armed his people and we did not arm ours, the country's economy was heading toward an unavoidable crisis leading to the massive dismissal of public and private employees.

We could see the approaching battle at that historic moment. And because we had not prepared ourselves adequately to face it, we were going to fight from a disadvantageous position. That was not very wise. The red night about which the communists of past years talked was much was closer than anyone could imagine. Noriega and his horde of mercenaries and criminals were willing to unleash the biggest genocide that humanity has seen since Hitler's time.

Were our Latin American brothers willing to send a contingent of expeditionary troops to rescue us from such a desperate situation? If they were not, I then ask them to please not criticize those who were and who have obtained the support of over 90 percent of the Panamanian people with their action.

Only one president was willing to save us... Mr. Bush, who, imbued with the highest sense of humanity and confronting world public opinion, had the courage and determination to send troops to rescue the Panamanian people and to restore our longed-for freedom.

In other words, in the end we did win the fight, but only after fighting with weapons, bullets—resulting in a number of dead and wounded. Panamanians proved that in a totally improvised manner and with an overwhelming disadvantage in weapons, we were able to fight for what is ours. While the U.S. Army of liberation professionally and efficiently neutralized the Defense Forces, our barricades and radio network saved the city.

I ask our leaders to speak clearly and shout without fear so everybody can hear them: Thank you, Mr. Bush; thank you, United States of America; thank you, relatives of the soldiers who gave up their lives for us; thank you to the wounded; thank you to all those who fought for our country.

Let us, the Panamanian people, make a solemn oath: From now on, we will not neglect for 1 single minute the huge and noble task of protecting this freedom that has been given to us on a silver platter. We will defend this freedom at any cost. And let us say it with courage, pride, and conviction: This time we will do so with our own lives if necessary. Be alert Panama!

Argentina

Seineldin Makes Denial; Aldo Rico Repeats Claim

PY1101025090 Buenos Aires BUENOS AIRES HERALD in English 10 Jan 90 p 11

[Excerpt] (NA-DYN)—Former Colonel Mohamed Ali Seineldin handed in a written response to the summons issued by the Army leadership asking him to clear up alleged statements referring to an alleged coup d'etat planned by Army Chief-of-Staff Isidro Caceres, sources close to Seineldin revealed yesterday.

Seineldin dismissed those statements—issued in Cordoba by civilian Nicanor Villafane Molina, who presented himself as the former colonel's spokesman—saying they were pronounced by "a friend" he does not recognize as his spokesman, said the sources.

For his part, former Lieutenant Colonel Aldo Rico repeated yesterday his accusations against Caceres insisting "he plans a coup d'etat against the Government."

Rico added Caceres "is advised by (former president) General Alejandro Lanusse," and pointed out the coup "has no chance of success as long as the National Army exists." [passage omitted]

Resignation of Central Bank Director Confirmed

PY1001174890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1650 GMT 10 Jan 90

[Text] Buenos Aires, 10 Jan (TELAM)—Central Bank President Rodolfo Rossi has confirmed that the resignation tendered by Central Bank Director Felipe Murolo "has been accepted."

Rossi talked to journalists after a 2 hour meeting with Economy Minister Antonio Erman Gonzalez.

Bomb Destroys UCR Provincial Headquarters

PY1001175290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1500 GMT 10 Jan 90

[Text] Buenos Aires, 10 Jan (NA)—A UCR [Radical Civic Union] Buenos Aires Province committee spokesman today reported that a UCR district headquarters in Buenos Aires Province was "completely destroyed by a bomb explosion." The destroyed UCR headquarters is in the Moreno district of Buenos Aires.

The spokesman added that no one was injured and that Leopoldo Moreau, the UCR Buenos Aires Province leader, has travelled to Moreno.

It is expected that UCR Buenos Aires Province board will meet and that they will ask the provincial government and the Interior Ministry to investigate the incident.

Atucha I Nuclear Plant Reopens After 16 Months

PY1101012090 Buenos Aires TELAM in Spanish 2251 GMT 10 Jan 90

[Text] Buenos Aires, 10 Jan (TELAM)—Energy Secretary Julio Cesar Araoz has officially reported that the Atucha I nuclear power plant resumed operations after being closed for 16 months due to a technical failure. Araoz said that the plant began operations at 30 percent of its 340-megawatt capacity.

Through a communique issued by the secretariat, Araoz conveyed President Carlos Menem's congratulations to the personnel and authorities of the National Atomic Energy Commission [CNEA] for "the complex work done" to repair the reactor.

Atucha I, the first Argentine nuclear power plant, discontinued operations on 11 August 1988 after a cooling channel in the reactor broke without causing any sort of radioactivity problem. The equipment was repaired by the CNEA, which designed its own technology for this purpose. The plant, which was dedicated in March 1974, is located on the Parana de las Palmas River near Zarate, 100 km northeast of Buenos Aires.

The communique states that on 8 January, with the repair work finished and checked, the reactor was put into critical condition; that is, the chain reaction to maintain the fission process was begun.

The communique states that "at 0116 on 8 January, a 0-power testing program was initiated with a gradual increase in power." "On 9 January," the communique adds, "after a series of tests performed by a team of CNEA specialists, the reactor's power was increased to 30 percent."

TELAM learned from the office of CNEA President Manuel Mondino that the Atucha I plant is waiting out a request to once again join the national interconnected power network (SIN), a measure that might be under implementation at this time.

Araoz said that the resumption of operations at Atucha I marks the end of "a long period of highly complex work by Argentine technicians, professionals, and workers." He noted that the problem that was affecting the equipment at Atucha I "was an unprecedented technical failure that tested the capacity and creativity of our nuclear sector's human resources."

The secretary noted that the operation of the plant "will be key in guaranteeing the supply" of electricity. Araoz added that "the worst part of the power shortage is over," alluding to the seasonal power consumption increase in December. He warned, however, that "the crisis will be with us for some time, and it is essential that we Argentines reformulate our [word indistinct] of electricity consumption.

Bolivia

Panama Situation Discussed in Media

PRESENCIA Comments

PY1001145890

[Editorial Report] La Paz PRESENCIA, on 28 December, page 2, carries a 1,000 word commentary by Rosa Talavera Simoni entitled: "After the Indignation" in which she reflects on the specific motivations for the U.S. invasion of Panama. Talavera states that the problem "has become more complex given the connection of the Panamanian governor with the governments of Cuba and Nicaragua, thus turning drug trafficking into a national security issue for the United States." She adds that the invasion was a good excuse for the U.S. congress, both Democrats and Republicans, to unite around a common cause. She also refers to President's Bush image as "a president without a leader's capacity and lacking innovative proposals to solve U.S. domestic issues," therefore he "needs to demonstrate some achievements to stem his image of weakness." She adds: Within a more general outlook, the invasion of Panama could have had secondary motivations, like trying to test the Soviet capacity to react in face of a U.S. policy of aggression in Latin America. The emphasis placed on the Panamanian election results also serves as a warning for Nicaragua, and shows what the United States could do in face of an election process not in keeping with U.S. expectations. Talavera concludes by saying that the adverse reactions to the Panama invasion could "yield more harm than good for the United States in its long term relations with Latin America."

The same newspaper issue, on the same page, carries a 450-word commentary by Erick Torrico V. entitled "Again the gunboat policy," in which he sustains that U.S. power is declining while Latin America has yet not become strong. He begins, "The U.S. gunboats have again been used against Latin America, with numerous excuses. However, this time they are not here for a demonstration of force but on rather a desperate mission" to "disrespect the 1977 Carter-Torrijos Treaties." The U.S. "failures" and the "ineffectiveness of dollar diplomacy" are forcing "the United States to defend what little they have left through coercion," since its power has begun to "decline." The problem is, Torrico states, that despite the U.S. military actions in "Mexico, Cuba, Dominican Republic, Puerto Rico, Colombia, Nicaragua, Grenada, and other countries," the "U.S. citizens are not willing to repeat the Vietnam experience. This new conflict is decisive for them and for Latin America which, anyway, seems not to have understood the U.S. treason during the Malvinas War, apart from being 'ready' to do nothing.'

The same newspaper issue, page 3, carries an 880-word commentary by Alberto K. Bailey Gutierrez entitled "Latin American Repudiation for Endara." He states: President Guillermo Endara has demonstrated an ill-fated and repugnant attitude. In May last year he seemed to be the winner of clean elections and a defender of democracy, but he has now encouraged the invaders, he arrived with them, observed the bombings, and then, from a U.S. military base, under a U.S. flag, was sworn or forsworn to his post, taking charge of a spurious and unacceptable administration. Gutierrez adds: Far from recognizing him, he must be repudiated. Foreign pressure must not be accepted. The commentator claims that Endara's government "is not only illegitimate and imposed by an invader, but that it has also been imposed to follow the orders of the Bush administration and to disrespect the canal treaties." Thus, the "attitude of the Bolivian Chamber of Deputies is dignified and positive for it has repudiated the invasion, requested that the Endara administration be not recognized, and it has had the initiative within the Latin American Parliament to demand that the invader repair the damage done in Panama. We hope that this attitude will be followed by the other Latin American governments," the commentator concludes.

Urges 'Self-Determination'

PY1001164290

[Editorial Report] La Paz PRESENCIA on page 2 of its 29 December issue carries a 700-word column by Armando Suarez Espinoza entitled "Crisis In The Canal."

Espinoza says that the U.S. invasion of Panama "has done nothing but confirm the interventionist spirit of the world's greatest power," and alert Third World countries of an uncertain fate. He then cites Toynbee who said that "a lasting dictatorship is better than a bloody invasion," and Napoleon who said that "ultimately the sword will be defeated by the mind," and concludes by saying that Mikhail Gorbachev might be thinking that "the Georgian (George Bush's) policy of anti-perestroyka has begun in Panama, a policy which rides roughshod over the Muscovite proposal to change society by introducing peace and freedom," and for "entering the third millennium via civilized dialogue."

The 29 December issue of the same newspaper carries on page 3 a 570-word article entitled "Interventionism and Panamericanism," written by Rene Estevez Torrico, a lawyer. After elaborating on the Monroe Doctrine of "America for the Americans," the writer deplores that "the respectable and solemn principles of 'non-intervention and self-determination' by the peoples of the Americas have been and still are mere lyrical declarations." It seems, Torrico says, that the foreign policy of the U.S. rulers "is rooted in force rather than in reason," and added that the invasion of Panama is justified by "childish arguments." Then he points out that intervention by a world power, whether its name is the United States, Great Britain, or the Soviet Union, is "a reproachable act of outright violation of the most elementary human rights." Finally, Torrico sends the

warning that the United States should seriously consider handing over the Panama Canal and the Guantanamo base in Cuba because they are "time bombs that could so easily touch off serious war conflicts."

The same newspaper in its 31 December issue publishes on page 2 an article written by Emilio Perez Barrios, a lawyer. The article, entitled "Romania and Panama," draws a contrast between the world's support for the uprising that toppled the Romanian dictatorship and the world's rejection—with the exception of Great Britain—of the U.S. invasion of Panama.

Barrios writes: "This belligerent attitude, just to apprehend one man is inconceivable; but there might be reasons running deeper than those that were stated." Barrios also expresses hopes that "the American people, not their rulers, will restore the dignity of the Panamanian state so that democracy and people's self-determination can be respected." Lastly, in a warning tone, Barrios cautions "Latin American countries to act jointly to avoid greater dangers."

EL DIARIO Praises Peruvian Stance

PY1001181490 La Paz EL DIARIO in Spanish 28 Dec 89 p 3

[Editorial Report] La Paz EL DIARIO in Spanish in its 28 December edition publishes on page 3, under the headline "A gesture and an Attitude of President Alan Garcia," a 700-word commentary by Edgar Millares Reyes.

Millares begins by introducing Alan Garcia, his economic policies, and their consequences for the country. He then says that, during a visit to Lake Titicaca, Garcia told reporters that "he would not oppose a solution to the Bolivian sea outlet problem if the outlet passes through former Peruvian territories." Millares explains that the 1929 protocol, signed between Peru and Chile, requires Peru to be consulted before Bolivia is granted a sea outlet through the former Peruvian territory and that has always been a possible solution. He adds that Garcia's "noble and worthy" attitude broke the deadlock and that we should hope "the new government will maintain Garcia's sensitivity" toward the problem.

This Peruvian Government attitude, Millares says, is repeated in the 20 December "pronou ncement" in which the Peruvian Government "vigorously condemns the invasion of Panama by U.S. military forces." Millares says the pronouncement "without fear" represents the "Latin American feeling," which is shared by "all men of dignity," and who prefer "one minute on your feet than one life on your knees."

Millares then mentions the summit between the presidents of Bolivia, Peru, and Colombia with President Bush. He quotes another declaration in which "the Peruvian Government regrets that under these conditions" any meeting that includes a state that "has attacked Latin America must be postponed."

Millares says the proposal is correct and it is expected that the Bolivian and Colombian presidents will accept Alan Garcia's proposal because if we must live under the U.S. "yoke," let us at least protest over the "shameful" act by a country that sends "tens of thousands of soldiers against a small country like Panama."

Antidrug Summit Will Not Be Postponed

PY1001135090 La Paz PRESENCIA in Spanish 10 Jan 90 p 7

[Excerpt] The antidrug summit of the presidents of Bolivia, Colombia, Peru, and the United States will definitely be held next February, Foreign Minister Carlos Iturralde said yesterday, dismissing the possibility that the meeting may be postponed because of the objections raised by the Peruvian Chief of State.

Presidents Jaime Paz Zamora, Virgilio Barco, Alan Garcia Perez, and George Bush are to meet in the Colombian city of Cartagena de Indias on 15 February. On 10-11 January, experts from the four countries should hold a preparatory meeting in Santa Cruz de la Sierra, Minister Iturralde confirmed.

"Preparations for the Cartagena de Indias summit are proceeding," Minister Iturralde said, adding that the Peruvian Government "will define its position regarding its attendance after the technical meeting in Santa Cruz." [passage omitted]

First Preparatory Meeting Held

PY1101023990 Madrid EFE in Spanish 0028 GMT 11 Jan 90

[Report by Agustin de Gracia]

[Text] Santa Cruz, Bolivia, 10 Jan (EFE)—Delegates from the coca-producing countries today met in Santa Cruz to prepare the drug "summit" scheduled to be held in Colombia on 15 February. The meeting was attended by representatives from Peru, Colombia, and Bolivia; U.S. representatives will join them in 2 days. The presidential summit will be held in Cartagena de Indias (Colombia).

"We are absolutely convinced that isolated efforts have been, and will continue to be, insufficient in fighting an evil that has grown to a size and strength that is beyond the capacity that each single country has to fight it," Javier Murillo de la Rocha, Bolivian foreign affairs deputy secretary, said at the opening of the meeting. He added that, in compliance with the goals of their respective governments, the delegates will seek to "reach agreements and joint positions to strengthen the fight against drug trafficking."

The meeting will help define the agenda of the "summit" to which U.S. President George Bush, Colombian President Virgilio Barco, Bolivian President Jaime Paz Zamora, and Peruvian President Alan Garcia have been invited.

President Garcia, however, has announced that he does not plan to attend the "summit" while the U.S. troops that invaded Panama on 20 December remain in that country.

Delegates who attended the meeting have reported to EFE that the talks among the representatives of the three Latin American countries are aimed at finding a joint position to present to the U.S. delegates.

During the "summit" the presidents will discuss not only the different opinions and positions of the drug-producing countries and the largest drug-consuming country—the United States—but also the different points of view among the Latin American countries. Colombia, for example, puts special emphasis on repressing drug trafficking, while Bolivia and Peru believe it is more important to find economic solutions to the problem, the sources said.

Murillo de la Rocha pointed out: "If we do not find alternative methods of achieving development—which is the broadest concept for the replacement of coca plantations—most of the efforts made and aid granted will be useless."

According to unofficial figures, nearly 1 million Peruvians and half a million Bolivians are involved in coca growing or processing in the most fertile regions of Peru and Bolivia. The Peruvian and Bolivian Governments agree that putting an end to coca growing would create more misery for the coca growers because no other crop is as profitable or has such a guaranteed market.

"We must put an end to this serious problem by replacing the coca with alternative sources of income that can sustain our economies. This solution can only be found through the joint effort of the countries that produce, trade in, and consume the drug," Murillo said.

Official on Drug Trafficking

PY1001142290 La Paz PRESENCIA in Spanish 31 Dec 89 p 7

[Excerpt] Speaking to PRESENCIA about the activities carried out this year by the department he heads, Gonzalo Torrico, the social defense under secretary, said: Drug traffickers became more powerful and strong in Bolivia in 1989. We must remember, however, that there was neither an increase in the resources nor the personnel to combat them.

Torrico said: Unfortunately, instead of decreasing, drug trafficking has increased. He said that this follows because cocaine processing only started in Bolivia in 1987.

Torrico added that until 1987 Bolivia was a producer of cocaine paste, but since then expensive sophisticated laboratories have been established in Bolivia. He said: Drug traffickers are becoming stronger and more powerful because of the amount of money involved.

Torrico stated that, according to police reports, there are cocaine laboratories in Beni Department that are worth between $100,000 and $1 million.

Torrico said that because of the increase in cocaine production, "red zones" have appeared in Beni, Cochabamba, and Santa Cruz Departments. He said that the situation "is cause for concern, particularly because of the vastness of Bolivian territory."

He added that despite the support of the Armed Forces and the Air Force, it is impossible to control this vast region with a force which only totals 1,264. [passage omitted]

President Paz Zamora To Tour Europe in April

PY1001153290 La Paz PRESENCIA in Spanish 28 Dec 89 p 7

[Summary] President Jaime Paz Zamora will tour Europe in April 1990 to finalize cooperation projects with the EEC. It has been officially announced that Paz Zamora will visit Italy, Spain, and the FRG. Vice President Luis Ossio Sanjines has traveled to Italy to prepare for President Paz Zamora's visit.

USSR Honorary Consul in Santa Cruz Appointed

PY1001154890 La Paz EL DIARIO in Spanish 28 Jan 90 p 11

[Excerpts] Santa Cruz—Soviet Ambassador Takhir Durdyyev has announced that Lorgio Vaca will be the honorary consul of the USSR in Santa Cruz. He will assume his functions during the course of this year.

Lorgio Vaca, a Bolivian citizen, is the first honorary consul of the USSR ever to be appointed. Until now, all Soviet Union consuls were members of that country's diplomatic corps. [passage omitted]

Viktor Aldujar, the commercial attache at the Soviet Embassy, has said that Bolivian-Soviet trade is at present "zero," however, he added that "we expect that our commercial relations will increase because we have many products at low prices that can be useful to Bolivia's development, and we need a good many products that Bolivia could supply."

The Lomo-Cruz company opened yesterday here in Santa Cruz. It will import and export products between the Soviet Union and Bolivia. This import-export business is a partnership of Bolivian and Soviet capital.

Brazil

Federal Police Discover Cocaine Route

PY1001122490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Jan 90 p 30

[Text] Seneca 810 EMB and Cessna 182 airplanes are using improvised airfields on ranches of Mato Grosso,

Goias, Amazonas, Rondonia, and Acre to bring in Bolivian cocaine and to send out ether and acetone that are produced in Rio and Sao Paulo.

Three airfields are being used by several drug trafficking groups in Rondonia beside the BR-429 road, between 17 Fevereiro Port and Costa Marques. The Concisa and the Chuvisco ranches in Mato Grosso, which are located along side the Roosevelt river, and the Vila Bela da Santissima Trinidade ranch in the region known as Ponta do Aterro also carry heavy cocaine air traffic.

The distribution of the drug in the southern part of the country is handled via many roads. According to the Federal Police the cocaine ready for consumption comes from Rondonia and Acre. In the southwest of Acre, the main route is road BR-317 which links Rio Branco with Basileia, on the Bolivian border. In Rondonia the most important highway goes through Abuna, linking Rio Branco to Porto Velho and Guajara Mirim, also at the Bolivian border, along road BR-364.

The Federal Police have said that in Punta do Aterro in Mato Grosso several roads link the ranches that are on the Bolivian border, and this facilitates access to the main roads of the country.

Chile

Junta Modifies, Softens, Antiterrorist Law

PY1001135890 Santiago EL MERCURIO in Spanish 5 Jan 90 p C1,5

[Excerpts] The government junta yesterday approved a draft bill to "modify Law 18314, which defines terrorist activities and establishes penalties." The bill will restrict the application of the law to the most serious cases and will leave other crimes, that were formerly considered terrorist activity, for trial under common law.

The new bill accepts the possibility in some cases of a prisoner being released on bail or receiving a pardon or amnesty. The bill also establishes other benefits not contemplated by Law 18314, including new proceedings for speedier trials. [passage omitted]

According to retired General Fernando Torres Silva, who is the Army Judge Advocate General, the modifications establish lighter sentences, freedom on bail, and possible pardons or amnesties. These benefits were not contemplated under the former antiterrorist law.

As an example Torres cited that "sentences of individuals tried as accomplices will be lower. They will receive lower sentences than that previously contemplated."

The new bill will also allow a great number of people who are being tried by the Interior Ministry to go out on bail.

According the General Attorney's office, more than 1,000 prisoners might benefit from the modifications.

Carabineros Uncover 'Arsenal' in Molina

PY1001222790 Santiago Radio Chilena Network in Spanish 1600 GMT 10 Jan 90

[Text] Police are carrying out intensive operations in the town of Molina in the seventh region in search of a gang of alleged extremists who could be linked to a recently discovered arsenal. It has been reported that Carabineros in Molina raided the house of 25-year-old worker Mario Munoz Pardo, where they found a FAL rifle, ammunition clips for various weapons, detonators, and material for making explosives.

It should be recalled that a group of armed individuals wearing ski masks robbed a businessman on a rural road near Molina on 7 January. The businessman, Enrique Ormazabal Ormazabal, tried to resist; the men shot him and left him seriously wounded. He was later hospitalized in Curico. Carabineros carried out several operations, including the raid on Munoz' home. The police are continuing to patrol the area in search of the alleged terrorist command.

Future Economy Minister on Confidence in Country

PY1101004790 Santiago Radio Cooperativa Network in Spanish 2200 GMT 10 Jan 90

[Excerpt] Future Economy Minister Carlos Ominami has said that the best sign of confidence in Chile is the fact that investments have not dropped; on the contrary, they continued to grow after the 14 December elections. The future minister made this statement after a meeting of the democratic cabinet:

[Begin Ominami recording] We will begin governing for the great majority in March. We are going to give priority treatment to the most needy sectors, which have been the most affected during these past years. I am under the impression that the business sector has already realized the need to adjust to the new situation. [end recording]

Ominami said that the workers sector can rest assured that the laws that are harmful to this sector, consensual, unfair, and that do not allow them to negotiate on equal terms with their employers will be amended. [passage omitted]

Committee for Free Elections Dissolved

PY1101003690 Santiago Radio Cooperativa Network in Spanish 2200 GMT 10 Jan 90

[Excerpts] The Committee for Free Elections [CEL], having fulfilled its objective with the 14 December democratic elections, was dissolved in a ceremony at the Aconcagua Hall of the Tupahue Hotel, where it was founded in early 1987. The ceremony was attended by people who worked with the CEL over the past 3 years. [passage omitted]

CEL coordinator Sergio Molina, after recalling the task carried out by the committee during the registration for

the elections and the 5 October plebiscite, said that the work carried out by the CEL will serve as a political and historic example. [passage omitted]

New Naval Appointments Announced

Fourth Naval Zone Chief

PY1001221590 Santiago EL MERCURIO in Spanish 30 Dec 89 p C-9

[Summary] Rear Admiral German Goddard Duffau has appointed the new commander in chief of the Fourth Naval Zone. Goddard will be installed on 19 January.

Puerto Montt Naval Zone Chief

PY1001222090 Santiago EL MERCURIO in Spanish 31 Dec 89 p C - 1

[Summary] Corvette Captain Eduardo Crovetto Ricardi has been installed as commander of the Puerto Montt Naval District and Naval Station with jurisdiction over the 9th, 10th, and 11th regions. During the same ceremony Corvette Captain Francisco Santana Gomez was sworn in as Puerto Montt sea governor.

University of Chile Rector Submits Resignation

PY1001214390 Santiago Domestic Service in Spanish 0930 GMT 10 Jan 90

[Summary] University of Chile Rector Juan de Dios Vial Larrain said yesterday that he submitted his resignation to Education Minister Rene Salame on 8 January. Vial added that he will soon visit President Pinochet to ratify his resignation.

* Lagos Discusses Elections, Future Government

90ET0054A Santiago EL MERCURIO in Spanish 19 Nov 89 pp 5d, 6d

[Interview with PPD leader Ricardo Lagos by Blanca Arthur: "The Campaigns of Ricardo Lagos"; date and place not given]

[Text] Some think him arrogant; others vain. His own view is that he is very forceful and that when he says anything, he does so with conviction. Indeed, rarely do his statements fail to rouse a furor.

A political phenomenon of recent years, Ricardo Lagos has so carefully calculated every step he has taken that no one disputes his leadership. It is a leadership that goes beyond the left, today as a senatorial candidate from Santiago and almost certainly as a participant in the 1993 presidential race.

He has not yet formally declared his intention to run, nor has he ruled out that possibility because it will depend on the circumstances and the strategy he chooses at the time. Unquestionably qualified, he has placed his personal stamp on a political career different from that of any other leftist leader. A different style as well, one which could be that of any "bourgeois" businessman: an economic consulting firm in the El Golf district, the "uniform," and now, quite naturally, the cellular telephone owned by any self-respecting candidate.

After obtaining a doctorate in economics in the United States, he flew to Chile drawn by the lure of openness. A key figure in the Democratic Alliance [AD], he withdrew upon concluding that it was not the direction events would take.

PPD and the Future

He then began his attempt to form a Party for Democracy [PPD] which he defined as instrumental: The idea was to be incorporated into the system and wage the fight from within, but not everyone followed him. The Christian Democrats naturally refrained, preferring not to lose their identity. But Lagos now observes with pride that his political creature, the PPD, has been so successful that it will continue to grow and he will not relinquish his paternity.

He unhesitatingly rules out the possibility that it could be a disposable party, as Andres Zaldivar claimed. With his categorical style, he exclaims: "Naturally not! It has been the most successful political operation of recent years. We are going to have great backing in December because it is a modern party, not ideological, but it is programmatic, something absolutely new in Chile.

[EL MERCURIO] Is it socialist?

[Lagos] We do have in it a socialist-type ideological faction, another that is Christian, another liberal, one reminiscent of secularism and radicalism, and now a strong ecology group. Given this spectrum, a program is drawn up for a period of time, something that is tremendously important in Chile's political picture at the present time.

[EL MERCURIO] What role will it play in socialist unity?

[Lagos] Socialist unity is the socialists' problem. The PPD is the concern of those of us in it. It does not exist for the purpose of building socialist unity. The socialists will soon unite and that is splendid.

[EL MERCURIO] Will they be part of the PPD?

[Lagos] The socialists united will continue to participate in the PPD, as do those of Arrate today, but the vast majority of those in the PPD are independents. It is a party of individuals rather than a coalition of parties.

Support for PAIS

[EL MERCURIO] However, the PPD supports PAIS [Broad Party of the Socialist Left] candidates when there are no PPD candidates, which bothers Christian Democrats [DC], who want an explanation. What do you tell them?

[Lagos] What I used to say: that they should talk with their party leaders.

[EL MERCURIO] Do you mean you negotiated with DC leaders?

[Lagos] It is not a matter of negotiating. We have a law that forces us into a tight fit and because of that legislation, we supported a single list, but the DC opposed it and invented parallel lists in places where PAIS took its candidates. It is obvious that if things were put in those terms, I would be very surprised if the PAIS world in Santiago voted for Zaldivar rather than Lagos, just as it would be very surprising if PAIS voted for Buchi rather than Aylwin. It is too simple.

[EL MERCURIO] The point is that the PPD is voting for PAIS in circumstances where it is on the same list with the DC.

[Lagos] That is an election rather than a political pact in which, when we receive the support of those sectors, we will pay it back. What does this mean? That both candidates will win. That is the important thing and it has the consent of the DC. They know that when there are parallel lists, we try to make both win. This is old business that was discussed 4 months ago. That is why, when someone or other has a question, let him ask Edgardo Boeninger, who was the negotiator, or Patricio Aylwin, who was the president of the DC, or the leaders who accepted this.

[EL MERCURIO] Andres Zaldivar also?

[Lagos] He was the vice president. Naturally he knows.

[EL MERCURIO] Then why does he condemn it?

[Lagos] I don't know. You should ask him.

[EL MERCURIO] If his party is voting for PAIS, which is running separately, that hurts the DC and the CPPD [Coalition of Parties for Democracy].

[Lagos] We are talking about 20 districts or less. In the rest, there is a single CPPD list; that is all. It is an absolutely tangential thing of no importance whatsoever.

[EL MERCURIO] Let us make this clear: The agreement is that when there are PAIS lists, the PPD supports those candidates.

[Lagos] It was obvious that it would be that way. All of us who participated in the negotiations knew it.

[EL MERCURIO] Doesn't that mean that the PPD is not keeping the election pact with the Christian Democrats with whom it shares the same list?

[Lagos] Absolutely not. That is a trick used by some individuals deliberately or because they do not have adequate political knowledge. I prefer to believe the latter.

[EL MERCURIO] Are those individuals Hernan Bosselin and Adolfo Zaldivar?

[Lagos] The ones who said these things. I don't know who they are.

Rainbow

[EL MERCURIO] Do you support the left because a large presence of Christian Democrats in Congress would force you to make a pact with the right, as it maintained?

[Lagos] We support the left because of what I said previously. I think it is important to preserve the rainbow. It is important for the country, which is going to give Aylwin great support, to vote in a balanced way in order to preserve the rainbow, reflecting the diversity and plurality of Chile.

[EL MERCURIO] Is the agreement for the purpose of having all the forces represented and preventing the center from achieving greater representation?

[Lagos] Precisely. What we have made is a mechanism to ensure plurality, which is what has given us strength.

[EL MERCURIO] But the complaints of Christian Democrats say that the PPD is supporting PC [Communist Party] and not MIR [Movement of the Revolutionary Left] candidates, who are not in the rainbow and not part of the CPPD.

[Lagos] I don't think that is the point. The point is....And furthermore, they are not complaints!

[EL MERCURIO] What about what Bosselin says?

[Lagos] What does he say? I don't know Bosselin or even what importance Mr Bosselin could have! He is not even worth 30 seconds of my time. I said: Talk to the president of your party. That is all I will say.

[EL MERCURIO] But it is clear that by voting for the PC and the MIR, you are helping the left more than the CPPD.

[Lagos] Just like those parties are voting for Aylwin.

[EL MERCURIO] Do you share the sentiment that Aylwin gave away too much to achieve his presidential candidacy?

[Lagos] I think the exact opposite. What do you want me to say? Indeed, I think the Christian Democrats should have had greater understanding.

[EL MERCURIO] Did they not yield to the left, in your opinion?

[Lagos] I do not know of anywhere where a Christian Democrat will vote for the left and we are all going to vote for them.

CPPD in Government

[EL MERCURIO] You made your support for Aylwin dependent upon the CPPD turning into a government coalition, threatening until the very end that otherwise you would be a candidate.

[Lagos] Those were not threats. It is my opinion that in the face of that great challenge, great unity is required, which depends upon great unity in government.

[EL MERCURIO] How did you interpret the suprapartisan formula of government which the DC invented so they would support Aylwin?

[Lagos] Beyond words, we want all parties in the CPPD to loyally share the responsibility of government. The one who heads the government is the president and he is the one who chooses his aides in order to form a government. Therefore, we understand that he is not subject to quotas or partisan considerations.

[EL MERCURIO] You say you will participate and cooperate loyally, but you have also said there will be no private preserves. What do you mean to suggest by that?

[Lagos] I mean to suggest that we have capable persons in all spheres, we have a large number of professional persons, great technical ability, and I therefore hope that we can cooperate in all areas. What I would not like would be for someone to say to me that "this area is too sensitive to have people from your party in it."

[EL MERCURIO] For example?

[Lagos] For someone to say, for example: "You are somewhat irresponsible in terms of monetary policy. You had better not have anything to do with the Central Bank." That would not seem right to me.

[EL MERCURIO] To be specific, which posts would be of greatest interest to you?

[Lagos] We have people in all areas and we are working in all areas of the CPPD. We drafted a very solid program as the PPD: "The Democracy We Long For," which we turned over to the CPPD.

[EL MERCURIO] Do you intend to use the strength of the PPD to ask for more participation than other parties have?

[Lagos] No. Politics is perceived reality, not a problem of strength. We have more people. On all the CPPD's technical commissions, we have a very large number of people participating because our contribution is a fact.

Until When?

[EL MERCURIO] Could you say that the pledge to participate with Aylwin will be until the 4 years are over?

[Lagos] What I can say is what I told Patricio Aylwin publicly and privately: that we are going to participate in his government for the 4 years.

[EL MERCURIO] Is there no circumstance that could alter that commitment?

[Lagos] There are always circumstances in politics that can change conditions. This is a pledge to govern for 4 years. We hope it will be a very successful government that will face its challenges properly.

[EL MERCURIO] If you do not have the participation you want, would it be a situation that might lead you to go it alone?

[Lagos] That is not the problem. Rather, it would be how the program is applied, how fast, how strongly, at what pace....

[EL MERCURIO] By 1994, at any rate, each one will have its own identity.

[Lagos] As I have said, if the coalition is successful, with that breadth, then when the time comes, we shall see whether it is useful to the country to continue. I would not like to say, "The coalition is finished." I think that is absurd because if it is useful, we shall continue.

[EL MERCURIO] Would you prefer for the Communist Party to be in the coalition?

[Lagos] I think things have turned out as they have as the result of certain lines taken by political groups throughout this period. Reality today is a reflection of certain political strategies and I think the current picture is fitting.

[EL MERCURIO] If, from outside the government, the PC exerts pressure for economic improvements, would you argue, for example, to suspend payment of the foreign debt?

[Lagos] Naturally not. I would like to tell an anecdote: Once at a meeting with unions where that issue was brought up, I told them that with the same energy I had pointed at Pinochet, I would point to the demagogue who says that you can raise in a year the wages lost in 16!

Pinochet's Reign

[EL MERCURIO] If Aylwin is president and comes to an agreement with Pinochet so he can remain as commander in chief, what will you do after saying he should retire?

[Lagos] One would have to see the situations and circumstances under which such a thing might occur.

[EL MERCURIO] Will you have it out with him or respect his autonomy in solving the problem?

[Lagos] Those are decisions to be made by the president, the president and his Cabinet. I don't know. The fact is that this will be a government in which there will be a coalition of parties and party leaders will have mechanisms for consultation and coordination with the president. That seems normal to me and I think that if he

chooses to have consultation on this type of issue, he will do so, although it is a very private matter of the president.

[EL MERCURIO] Pinochet has said that he will remain in power and that the Army supports him.

[Lagos] Pinochet has said so many things.

[EL MERCURIO] Among them, that he will remain as head of the Army.

[Lagos] That is tremendously negative for the country. We are tired. Sixteen years is a long time. I know of no army that has had the same commander in chief for 25 years.

Amnesty and Trials

[EL MERCURIO] In his speeches, they say he gets great applause when he says that he will abolish the amnesty law. What is your precise position on this?

[Lagos] I think that what the CPPD says is right: It suggests proposing abolition or repeal of the law, whatever the case, but that is a debate for jurists.

[EL MERCURIO] Do you think that will give the country stability? Are they not thinking about a formula such as that of Uruguay or Menem, who later had to pardon the military leaders?

[Lagos] Every case is different. In Argentina and Uruguay, they had to make a decision to try the military leaders. Here most violations of human rights are being investigated by the courts.

[EL MERCURIO] There are prominent leftists such as Corvalan and Almeyda who have said they would try Pinochet. Do you share that opinion?

[Lagos] I think that is a task that belongs to the courts. It cannot be answered by Corvalan, Almeyda, or Ricardo Lagos.

[EL MERCURIO] Would you agree that Pinochet should be tried or not?

[Lagos] How can I answer that? Did Augusto Pinochet commit crimes or not? It is a matter to be resolved by the courts.

Parliamentary Commission

[EL MERCURIO] You proposed a parliamentary commission to carry out justice. Will you insist on this in the Senate?

[Lagos] That is a very important issue I would like to clarify, since it has been twisted. What I proposed is something very basic in any period going from a dictatorship to a democracy: the need to draft laws, which may mean setting up a commission, to repair the harm done during a period when there was no state of law.

[EL MERCURIO] Of what would it specifically consist?

[Lagos] What do I want? When a man who has spent 28 years in public service, has been kicked out and has no retirement....Would it not seem right to see why they kicked him out and why that man is now starving? That is what I proposed. We have an enormous number of dismissed persons who were backed by the "No" vote. Should their situations not be reviewed? Perhaps they were kicked out because they were incompetent, so it was right for them to go. I want to be very clear on this point: I am proposing legislation to repair unjust harm done, the loss of those years.

[EL MERCURIO] And will they also review, for example, the situation of the land taken away from farmers during the UP [Popular Unity] government?

[Lagos] That was done based on a law. There was a judicial system and for that reason I think that during this period under the government of Augusto Pinochet, quite a bit was done. And if there are situations to review, let them be. I think it would be splendid!

Municipalities

[EL MERCURIO] Another one of the conditions you set for supporting Aylwin was that the law on municipalities should be changed and there should be elections in 1990.

[Lagos] Those are not conditions. The point is that there cannot be a new president and parliament while the mayors continue to be the same ones left by the regime. What will the people be seeing? That everything changed except their real world, their commune. It is impossible to have a democratic system while retaining the mayors that Pinochet left behind as his legacy!

[EL MERCURIO] Is there agreement in the CPPD that the first thing to modify would be the municipal law?

[Lagos] Naturally. And I was very happy that Buchi's headquarters vigorously proposed the same thing.

[EL MERCURIO] But in a gradual way, in order not to have a massive election process and not politicize the municipalities. Is this of interest to you because it would be the first measure and because one could begin to look to 1994?

[Lagos] Why do I need to see whether or not I do well in order to evaluate my chances as a future candidate when I could have been a candidate now? Do you think I need a test for that? For me, the important thing is the national interest. The phrase that gets the greatest applause is when I say, "We are going to elect mayors and we will not accept appointed mayors!" Because it is natural and in keeping with the democratic system and that does not fit. Then they immediately say, "So Lagos wants to see how he's doing; he wants to know how many there are."

[EL MERCURIO] And don't you care?

[Lagos] I think we all need to know how many there are of us. I think it is splendid to know what the UDI [Leftist

Democratic Union] is, what the National Renewal [RN] is, because the law prevents us from doing it and that is bad.

[EL MERCURIO] Do you hope to have the specific support of rightist and RN sectors for proposals you are pushing in the Senate?

[Lagos] I think it would be very important for certain types of issues to be taken up jointly with the National Renewal. That would be very good for Chile.

[EL MERCURIO] Do you think they will support Andres Zaldivar's proposal of dismantling institutions and that "not one trace of the dictatorship" should be left?

[Lagos] I think that was a rather exaggerated statement by Andres Zaldivar. There are things done that I view as positive. I think it is good for municipalities to have certain types of powers, for example, to have decentralization. It would be something else to be able to generate that power democratically.

[EL MERCURIO] Some say that Zaldivar made that statement in order to win votes and now you seem to be more moderate.

[Lagos] (He laughs.) Look, I think people perceive the positions of each of us. The facts cannot be changed by one statement in either direction.

[EL MERCURIO] So that was not a point marked up by Zaldivar.

[Lagos] Well, I, for one, would never have said such a thing.

Victory and the Other Candidates

[EL MERCURIO] You have said that this election will be won by a million and a half votes.

[Lagos] Of course. That will be the difference between Aylwin and Buchi and that's all I'm going to say.

[EL MERCURIO] Why a greater difference than in the plebiscite?

[Lagos] For one reason: Because Aylwin will win 57 percent and the remaining 43 will be divided between Buchi and Errazuriz. It is too simple.

[EL MERCURIO] Don't you think Errazuriz will take votes away from Aylwin?

[Lagos] No....Well, yes, but very few.

[EL MERCURIO] How would you describe Errazuriz' candidacy?

[Lagos] I think it is a reward for perseverance and Errazuriz' personality, really, but I can't understand it. Well, one can naturally give explanations, but....

[EL MERCURIO] And how would you describe him?

[Lagos] I think he is a man with personality, nothing more. And he is showing it.

[EL MERCURIO] Do you think Errazuriz is a typical rightist candidate?

[Lagos] I think that his way of thinking basically makes him that, but with rather populist connotations.

[EL MERCURIO] Do you think he can get to the second round with his perseverance?

[Lagos] No.

[EL MERCURIO] Do you rule out the possibility that in the last month, undecided voters could change the picture?

[Lagos] With respect to the presidential election, no. It would surprise me a great deal.

Looking to '94

[EL MERCURIO] Aylwin said in the television debate that he hoped to put the band on another Christian Democrat rather than on Ricardo Lagos. How did you feel when you heard that?

[Lagos] It kind of made me laugh because he naturally could have answered in another way, which I told him. In the final analysis, it is the people who will decide on whom he places the band. Now then, what Patricio said seems to me to be completely normal. It is normal for a Christian Democrat to want to be succeeded by another Christian Democrat. That is normal in politics.

[EL MERCURIO] But does it not contradict the spirit of the CPPD that you will govern united? Because if they hope to give the band to a Christian Democrat, it will force you to guide socialism down a separate path....

[Lagos] (He laughs again, then comments.) Well, maybe they liked what we did now and they think it can be done again.

[EL MERCURIO] What do you mean?

[Lagos] Well, they liked what we did now, that we all supported Patricio Aylwin and they probably think that in 4 more years, it can be done agasin and we will again support a Christian Democrat.

[EL MERCURIO] You say that laughing. Does that mean it won't happen?

[Lagos] I say it laughing because I think it is absurd to begin to talk about 1993. By 1993, we may have done splendidly, the country may be in sensational shape, and hopefully, we may have reached even an institutional consensus.

Senate Campaign

[EL MERCURIO] For the time being, you are campaigning for the Senate. You preferred to go with Zaldivar because you could beat him more easily than Frei?

[Lagos] I said that Frei and I would be the two sure winners and that the other one would be giving one to the right, while in this way, all four of us had a chance.

[EL MERCURIO] With your votes, do you hope to get Zaldivar out?

[Lagos] I think I have a sufficiently high percentage of votes so that we will both be elected.

[EL MERCURIO] He by riding on your coattails?

[Lagos] (He answers, changing his tone.) Andres has waged a good campaign and will also be elected.

[EL MERCURIO] Do you think the two Ricardos, you and Nunez, will help the Zaldivar brothers win, as one of your party leaders said?

[Lagos] It will be good cooperation for Patricio Aylwin's government.

[EL MERCURIO] Zaldivar said you were his election contender.

[Lagos] My election contenders are Jaime Guzman and Miguel Otero because I want to beat both of them.

[EL MERCURIO] Who is your strongest rival?

[Lagos] I think that the public knowledge of Jaime Guzman is compensated by what I think has been a greater institutional presence of the National Renewal, which supports Otero.

[EL MERCURIO] Do you not think Jaime Guzman could be a good senator? Would you like to have him in the Senate in order to fight with him, at least?

[Lagos] I think that the Senate is filled with persons who win the people's votes.

[EL MERCURIO] But would you consider Guzman's presence important?

[Lagos] In a period going from a dictatorship to a democratic transition, the problem of those who cooperated with the dictatorship is winning democratic legitimacy. That is also the drama in Chile. Fraga won it, but Blas Pinar remained and now we will see who Fraga is and who Blas Pinar is.

Renewal and Change

[EL MERCURIO] And also who Felipe Gonzalez is. Almeyda said that renewed socialism in Chile was "snobbish." What do you think of that?

[Lagos] Almeyda has an important political post, but he is still a professor of sociology at the University of Chile. All his statements are those of a professor: The philosophical point of view of socialism per se based on the dialectic is constant renewal. Naturally, renewed socialism is therefore a contradiction because it presumes that it must always be renewed. That is a philosophical analysis and when he says it, it sounds like phenomenal mishmash, but you can't understand Cloro. I can see him holding forth at the university, saying that Saint Thomas...and on and on. That is who Almeyda is.

[EL MERCURIO] He makes his statements as a political leader. Do you therefore think he should not be one?

[Lagos] I sincerely think he is a good professor. I even recall that when Clodomiro was in Parliament, he refused to continue because, he said, "I will never again be a member of Parliament because it's a bunch of crap."

[EL MERCURIO] He was also a prime cause of the split that occurred in socialism in 1979, so you cannot just remember him as the old professor.

[Lagos] Of course not. Clodomiro had a vision with which I disagreed and I think things have moved in another direction.

[EL MERCURIO] What did you feel inside when you saw the Berlin Wall collapse?

[Lagos] Enormous joy. I never believed there had to be a wall. I don't like walls. For many years, there was a wall in Chile and thousands of Chileans could not return home because of that wall.

[EL MERCURIO] Would you say that the Chilean people have assimilated the changes occurring in East Europe?

[Lagos] There are sectors that have not completely assimilated them, but they are in a minority. Perestroyka will come.

[EL MERCURIO] Do you actually believe that communism can evolve in Chile?

[Lagos] I hope so; I hope so.

[EL MERCURIO] With the changes that have occurred in the country, do you rule out the possibility of Buchi being a good candidate?

[Lagos] I think Buchi is a good technocrat in the Ministry of Finance, but he is not a politician.

[EL MERCURIO] If a majority thinks differently and votes for him, would you agree that it is a democratic option?

[Lagos] Well, if he wins, it is because a majority expresses itself; that is obvious.

Transition and Laws

[EL MERCURIO] Do you recognize that the transition and the return to democracy in a peaceful manner, as if occurring, is due to the military and Pinochet himself?

[Lagos] In all sincerity? No. Because Pinochet designed this in order to be in power for 16 years starting in 1980. The proof is that now they are playing with fire by dictating these laws trying to render the transition difficult.

[EL MERCURIO] Which ones worry you the most?

[Lagos] The Central Bank Law, the Television Law. Don't you think it is shocking that seven men who are so close to this regime and who do not have authority over the country should decide on television concessions? Do you think that facilitates things? I think it is elementary that it should be Parliament which rules on such substantive issues for Chile.

[EL MERCURIO] Will you push for them to be abolished?

[Lagos] The first thing Parliament must do even before beginning to build for the future will be to abolish these last-minute laws that have been passed behind our backs. I think it is a negative thing to have to change things from the very beginning. That is why I hope the Junta will not pass the Armed Forces Law, whose contents seem to me to be monstrous. Do you not realize that this laws establishes that the commander in chief, when summoned to do so by the president, can give orders to the vice president? Do you think that is normal?

[EL MERCURIO] Do you not recognize that the Armed Forces are seeking guarantees for their future, considering the proposals of the CPPD?

[Lagos] I think the Armed Forces must understand that they are professional forces and are there to do what they have to do and carry out the laws made by those elected by the people. That is a democracy. Laws are not made by those whom the people did not elect and who pretend to continue in power beyond their period of authority.

[EL MERCURIO] Do you think the Armed Forces can trust Ricardo Lagos?

[Lagos] I trust the Armed Forces. I was educated in a society where, as a child, they took me to military parades and made me respect them. My father was proud of descending from Colonel Pedro Lagos and I think military men should understand the changes that have occurred in this country better.

[EL MERCURIO] Among them, your leadership and the possibility that you might be president. When do you think that could occur?

[Lagos] I have been president of the Party for Democracy for 2 years. The people of Chile will resolve the rest in due time. For the time being, it is not a problem "on the agenda."

*** Private Sector Views on New Government**

*** Prospects for Mining Sector**

90ET0064A Santiago EL MERCURIO in Spanish 28 Nov 89 p 3A

[Editorial: "The CPPD and the Mining Sector"]

[Text] In opening its first meeting with the private mining sector the National Association of Mining reported that the industry is considering investments over the next 3 years amounting to $3.0 billion, or $3.0 million per day during this period.

Available data reveal that out of the total mining investment scheduled to be made in Latin America more than half will be placed in Chile and that this will only partly consist of foreign capital. Therefore, to a significant extent these investments reflect dozens of new projects or the expansion of existing operations by Chilean businessmen.

These substantial increases in investment will result in unprecedented increases in mineral production. It is anticipated that by the end of 1992 or the beginning of 1993 total production of copper will amount to 2.2 million tons. This means an increase of 700,000 tons annually, or about what total Chilean copper production was a few years ago. At the same time a similar picture will be seen in the mining of gold and silver.

As a consequence of this greater investment in mining the private sector will increase its share in the production of copper from the present 23 percent to 43 percent. In gold its share will rise from 90 percent to 95 percent. In silver it will go up from 52 percent to 80 percent of total national production. Thus, in a little more than 3 years the private mining sector will become the largest exporter in the country, surpassing the state mining sector.

Now this positive development in the mining sector and the encouraging prospects which it offers for the future are not the product of chance but rather the direct result of a combination of coherent policies which have permitted the development of the national potential in this sector.

As the president of Sonami [National Association of Mining] has correctly pointed out, the achievements already recorded and the successes to be achieved reflect a close relationship with stability in the rules of the game, "which are essential for mining development, especially in terms of tariff duties, foreign exchange, taxation, juridical security, export promotion, the encouragement of private initiative, the opening up of foreign investment, and of open purchasing arrangements."

In this context several of the measures proposed or suggested by the Coalition of Parties for Democracy [CPPD] introduce an element of harmful uncertainty which, under a possible government formed by such a coalition, could obstruct the path of mining development. In effect the lack of clarity regarding general economic management, tax policy, the treatment of foreign investment, and other matters make it impossible to be sure that the incentives in this sector of the national economy will be maintained as they are today.

Furthermore, it is clear that the requisite minimum essential to carry out investments of this magnitude, whether of foreign or Chilean capital, is the need for

unquestionable juridical certainty regarding the rights which mining concession holders have regarding their mineral deposits. If there is no security of mining property, investors will not be prepared to risk a significant amount of their capital on very long-term projects.

On this matter the CPPD has displayed the greatest contradictions between the moderate sectors of the Christian Democratic Party, which oppose fundamentally changing the legal system affecting the mining sector, and their socialist allies. The solution which the CPPD has adopted is to provide assurances that mining concessions will be respected for the next 4 years. However, at the same time changes in the concessions are being studied. This is completely unsatisfactory. The seriousness of this matter lies in the fact that this is a matter of public knowledge. In "Democracy and Change," the socialist program of government, it is stated that the socialists will continue to advocate the formation of large, state-owned conglomerates in the mining field.

* No Changes Foreseen

90ET0064B Santiago EL MERCURIO in Spanish 10 Dec 89 p 12f

[Interview with Manuel Feliu, president of the Confederation of Production and Commerce, by Silvia Riquelme A., date and place not given: "Business Has Been Given Economic Freedom"; first five paragraphs are EL MERCURIO comment]

[Text] He says that he was born with an entrepreneurial spirit. When he was 7 years old, he and his brother began their first business venture, making and selling kites. He could no longer hold back that spirit. With interests in agriculture, mining, and banking—he is the president of the Banco Concepcion—Manuel Feliu Justiniano, now 57 years old, is one of the most representative men in the private business sector.

As president of the Confederation of Production and Commerce, his views are respected and valued from the most widely differing points of view.

He is known to be a supporter of the social market economy, "because this system made it possible for Chile to be opened to the outside world; for unitary, high exchange rates to be established; for similar customs tariff and labor legislation which functions in an active labor market." These are elements which, in his judgment, were very important "to give human beings the support which has made it possible to develop their capabilities fully."

At the same time he thinks that the economic program implemented by the present government permitted the growth of the country in areas as important as fishing, reforestation, industry, traditional agriculture, fruit production, nonmetallic mining, and other job-creating sectors which have been developed as a result of investment and the establishment of companies.

He stated with conviction: "This has brought, at the same time, substantial growth in sectors such as transportation, construction, finance, commerce, as well as a strengthening of the market and the purchasing power of the Chilean family, which has practically never declined during the last few years. Now we are in fifth place in the world in terms of consumption per capita, and that means that the market is functioning in Chile."

[EL MERCURIO] We are only 4 days from a change in government. Are you afraid that the present economic structure may slip back to the old ways?

[Feliu] In terms of private enterprise in Chile, presidential elections have no fundamental influence over decisions by employers. This was not the case in the past, when 1 year before an election and, at times, for an even longer period, investments were absolutely in suspense, and the country fell into lethargy. Elections meant everything or nothing.

[EL MERCURIO] Has that phenomenon not applied to this election?

[Feliu] Today neither investment nor decisionmaking has been paralyzed. The country has maintained a very high rate of growth for the past 3 or 4 years. In 1989 we are going to have rates of growth which could reach 9 percent of GDP [Gross Domestic Product]. Per capita income in 1989 could exceed $2,500. Investment is going to exceed 20 percent of GDP. This means that Chile not only has not been paralyzed during the period immediately past but that it has gone on growing on a more or less permanent basis.

[EL MERCURIO] To what would you attribute this change?

[Feliu] To the deep changes which have been made and which make it possible for the country to be competitive overseas in an open market. We employers are beginning to see that the world today, both in Chile as well as outside it, has also changed. The social market economy has been adopted in all those countries in which development is taking place. The socialist countries in Europe are now taking a different view of this matter, and the countries in Eastern Europe are also hopeful of achieving such a change. Millions of people in Hungary, Czechoslovakia, Poland, and East Germany are shouting this in the streets. In one way or another they are also shouting this in the countries of the socialist bloc of Russia—Armenia, Lithuania, and Estonia.

[EL MERCURIO] As a definitive matter are you among those who say that Chile has said goodbye to Latin America and that we have crossed the barrier of underdevelopment?

[Feliu] I think that Chile is a Latin American country with the same problems and the same characteristics as the rest of the countries on this continent. We have succeeded, yes, certainly, in providing ourselves with an

economic system which has a different, distinct structure. We have had the good fortune to have a government which has made the major, structural changes which the rest of Latin America also needs but has not accomplished.

[EL MERCURIO] But this change has involved a certain cost.

[Feliu] Yes, we have succeeded in making this structural change at a high cost, with sacrifices made by everyone. Certainly, this sacrifice has not been shared equally by all, because there are some who have had to pay more for this effort than others.

[EL MERCURIO] Did employers pay their share of the cost?

[Feliu] There are thousands of businessmen who went bankrupt and, of course, they feel that they were deeply affected by the change. There were also millions of Chileans who were unemployed or were fired from their jobs who also felt that they had been affected by the change. And there is also no doubt that other people have suffered, including those who are not organized and who have no power to make their concerns and aspirations known. And, of course, there was no parliament in Chile which made it possible for those who felt dissatisfied with the change to make this known politically. However, the truth is that all of us Chileans, to a greater or lesser extent, are paying for this structural change. This is the effort which the other countries of Latin America must also make.

[EL MERCURIO] Do you think that the necessary conditions for this change now exist?

[Feliu] I believe that all of the countries of Latin America are in a position and have the necessary conditions to deal with their development, because they are all very rich countries. In terms of natural resources we are much poorer than Peru, Argentina, and Brazil. However, it happens that they have not made the necessary structural changes. What we certainly have is a people who are very homogeneous and who work very hard. They sensed the need for a change, and they realized that it was necessary to accomplish this change. We made this change, and the incoming government is going to have the great advantage that it will be able to develop democracy in a country where it will not have to deal with the negative, political factors which making structural changes involve.

Politics and the Economy

[EL MERCURIO] Does the fact that private enterprise has not slowed down its development during this period prior to a change of government, as happened previously, mean that we are definitely succeeding in separating politics from the economy?

[Feliu] I would say that that is part of the background, which to some extent implies the maintenance of political and economic freedom. We employers used to live, immersed in everything which the state could give us. We have gained our economic freedom and today depend on ourselves, on our own efforts, on our own sacrifices, on our own creativity, and on our own investments to obtain advantages both for ourselves as well as for the country. The political freedom which we will have more fully after March 1990 is also an achievement. However, it is an achievement which must be examined, because political freedom depends fundamentally on the men who are active in politics and, as politicians, have to justify themselves in the eyes of the country. The question will be whether they are capable of maintaining economic growth in the context of democracy. And this is done by maintaining economic freedom. The Spanish, the French, and the Chileans have proved this, and the Asian countries are also proving it.

[EL MERCURIO] Then how would you describe the responsibilities of politicians in this new phase?

[Feliu] Their responsibility is to maintain those two freedoms which are independent of each other but are mutually supportive. Neither of them is really valid without the other. However, to the extent that the two exist in mutual support of each other, the country will be able to have, on the one hand, economic growth, and, on the other, political freedom. We cannot return to the extremes of the past with the state acting as a tutor, when management, in order to be able to function, had to depend on the system. This included tariff advantages; subsidized loans at a subsidized rate of interest to be able to compete and to obtain credit; fixing the prices of products to make it possible to make money; and compensatory tariff duties when the market became difficult, to prevent the entry of products from other countries to compete with what we produced.

[EL MERCURIO] And today the market is "king?"

[Feliu] Today the only privileged person in the country is the end user, who has the advantage of voting democratically for one or another employer in offices, supermarkets, stores, and warehouses for the products which the companies produce. When the consumer buys a product, he is voting for one or another company. And if these companies are not efficient, if they do not modernize, if they do not have adequate products at adequate prices and of adequate quality, evidently the end user is going to prefer another product. And that inefficient businessman is going to have to disappear from the market, just as inefficient politicians also will disappear when they do not act as the voters want them to act. I think that today the Chileans are going to look at what comes from the politicians with a great deal of hope. Consequently, the politicians are going to have to make sacrifices. In the past in Chile the politicians failed, and now it is up to them to demonstrate once again that there can be full democracy with sensitive politicians who will let

the country continue to grow. It is essential to maintain independence in the political and economic fields in order to achieve this growth in an atmosphere of freedom.

[EL MERCURIO] And what is the responsibility of management?

[Feliu] The responsibility of management basically involves investment. For to the extent that management invests, it is making it possible for the country to grow. By growing, the country is providing opportunities to the rest of the people: opportunities to work and to do other things. With an annual rate of growth of 5 percent of GDP the state receives $300 million more in additional tax revenues. Thus, not all of the responsibility of management lies in paying taxes but also in making the tax receipts grow through the growth of the country. Therefore, in that way they are going to be able to meet all of the country's needs by resolving its great problems. If we are not able to balance social with economic development, that may result in an imbalance which will be very bad for the country.

[EL MERCURIO] And how should a balance be reached between labor and management?

[Feliu] Everyone hopes that we will be able to reach a good agreement with the workers. I believe that we employers will be able to do this in a number of areas. Today society has high regard for management and private enterprise. In the polls which we had taken about 60 percent of the people trust us more than public employers. The polls show that private enterprise is considered to be efficient and just and also turns out high technology products, that we are part of the world, and that we pay good salaries.

[EL MERCURIO] Do you think that employers have a good image?

[Feliu] We now stand at a very high level on the list of professions, immediately after doctors and professors. They represent two professions which morally have a very high level of appreciation in our society. And after businessmen come the men of culture, priests, artists, and many others. Far below them are politicians. So Chilean society places a high value on what we do as managers. We are creating wealth, we are distributing it, we are providing jobs, we are making it possible for the country to modernize, and we are making it possible for the country to move forward and to become a developed country.

[EL MERCURIO] Are you aware of any social problems?

[Feliu] Not particularly. We still have many social problems, as the politicians know very well. However, to draw the country away from its social problems, we must become a developed country. We would like Chile to have much greater resources to deal with the problems which it has. Why should we not want to have levels of education and health much higher than those which we have today? Why should we not want our retired people to receive much better pensions than they have now?

[EL MERCURIO] And higher pay?

[Feliu] We also want people as a whole to be better paid. However, our basic effort is to ensure that our workers, the people who work closest with business, are better paid.

[EL MERCURIO] But for a long period of time there has been no substantial improvement in that regard.

[Feliu] For a long time we business leaders have been saying repeatedly and have been calling on employers to increase the salaries of their personnel to the extent that they may be able to do so, without cutting into the capital of the companies concerned. To the extent that a company increases its capital, the country grows. An increase in capital makes it possible to have more people working, for those who have lost their jobs to have the possibility of finding another one, to have opportunities open up for them, to have more state resources through taxes to deal with the problems of education and health. We understand that these are everyone's aspirations. We want these problems to be resolved. However, we understand that, in order to resolve them, we have to reach the stage of a developed country, and not before that. If we do it before then, we are simply going to create a very sharp imbalance. I believe that what can clearly be done now is to continue to alleviate the symptoms of these problems.

[EL MERCURIO] In what way?

[Feliu] By devoting more resources to these problems, to the extent that we have them. However, I do not have the slightest doubt that a complete solution will require reaching the stage of a developed country in which per capita income is not $2,500 per year, as it is today, but rather $6,000. Some 3 years ago per capita income was $1,700, so that we have made a substantial advance in that respect. When we have an average per capita income of $6,000 per year, as the people of Taiwan have today, we will be a country in a position to deal with all of these problems. It will not take long.

[EL MERCURIO] It will not take long?

[Feliu] That is correct. By saying that it will not take long we mean that the time it will take is less than a generation, that is, less than 30 years. With the average rate of growth which the country has today, we should reach a stage of intermediate development which would make it possible for us to be a country like Portugal, a country such as Spain was a few years ago, a country of intermediate rank in terms of development, with all of the advantages which that signifies.

[EL MERCURIO] On what do you base your confidence?

[Feliu] In the first place on the fact that this country is potentially rich. In the second place because it has comparative advantages by comparison with other countries, because it is in a hemisphere other than the Northern Hemisphere. Consequently, our agricultural and fruit products can reach those markets at a time when products of that kind are not available in those countries. We have an open market. We have the advantage of being a country potentially very important in terms of fishing. We are a mining country which can double its productive potential in 15 years. We have a gigantic advantage in forestry. Chile is a country where it is possible to have mature, Radiata pine trees ready for consumption in 15 to 20 years, under circumstances which, in other countries, would take between 40 and 70 years. Our valleys, the sun, the land, the water, and the hemisphere in which we are located are a great, comparative advantage. Horticulture can also be as important as fruit growing. However, the human factor is the most important. We Chileans have proved that we are capable of dealing with problems and difficulties and coming out ahead.

[EL MERCURIO] In the view of management, do we have good human capital?

[Feliu] We are a homogenous country with a high cultural level, which is not the case in any other part of the world. As a result, our human potential is really important. This human factor, added to the comparative advantages which the country has, makes it possible for us to visualize the future with great optimism. We have an enterprising business class which is ready to invest in Chile and which is creative. The domestic taxation computer reveals that between 60,000 and 80,000 employers enter the Chilean economy every year. We now have more than 1 million employers. And this employer class, together with the economic system, together with a very sensible group of political leaders, with essentially professional armed forces, gives us faith and confidence in our country.

Threats to Development

[EL MERCURIO] Do you think that some variables might be mentioned which could signify a threat to the very positive projection of the future which you have given us?

[Feliu] Quite sincerely, I think that today it is difficult to find very negative variables which could change the picture which I am painting. First, because the incoming government will have to manage economic affairs with a great deal of good sense and seek balance in the political field. Secondly, because the world is moving in the direction which I have indicated. There are no countries which think that they can develop their economies except through the system of an open economy, establishing a social market economy within their borders. Even if there were recessions in the world or if markets shrank in size, the impact on us would never be as terrible as it was in the past, when we depended exclusively on copper. Today copper represents only 41.2 percent of our exports. The great, structural change which has taken place in Chile is that it has been transformed from a country exporting a single commodity into a country exporting several commodities. That structural change gives us a greater advantage in dealing with a crisis.

[EL MERCURIO] But does that mean that we would be immune to the effects of a world crisis?

[Feliu] Clearly no. There could be a contraction in our growth. However, personally I do not visualize world crises, despite the fact that there are economists who are always talking about them. Nevertheless, the truth is that all we see is that the North American budgetary deficit has declined a great deal and the United States economy has grown at an impressive rate, just as the European economy has done. And we, as an exporting country, have an interest in seeing the countries which buy our products continue to grow. I also see that the opening of the markets in Eastern Europe will provide us with many advantages, despite the fact that it is said that there could be difficulties there because the Europeans would prefer to invest in Eastern Europe and not in our country.

[EL MERCURIO] And that does not worry you?

[Feliu] It seems to me that it would be a splendid idea if they really chose Eastern Europe. That would consolidate the processes of opening the markets in Eastern Europe and would make it possible to broaden the markets for our products. What interests me a great deal as a producer and as president of the employers' association is that markets should open up and not close.

[Box, p 3A] 'The Worst Thing Would Be to Change Labor Legislation'

[EL MERCURIO] And domestic variables in Chile do not concern you? I refer to those coming from the politicians.

[Feliu] The politicians could cause a problem if tomorrow they interfere significantly with existing labor legislation.

[EL MERCURIO] But the fact is that the workers are not very happy with existing labor legislation.

[Feliu] It is not perfect, because nothing human is perfect. Consequently, we clearly could improve that legislation. However, I personally consider that our labor legislation, leaving aside its rigidities, has made it possible for us employers to create more than 1.4 million jobs in the country during the past 6 years.

[EL MERCURIO] Some people say that this has been at the cost of very low salaries.

[Feliu] The active labor market has also made possible the growth in real wages of the workers. In a recent survey which we made during the past year, involving

more than 30,000 companies, wages grew by 9.4 percent during the period between the second quarter of 1988 and the second quarter of 1989, which is a very substantial, real increase. This sample of 1.4 million workers is very representative of the Chilean situation, because there are only 2.2 million salaried people in Chile. Consequently, the market is functioning, and labor legislation is functioning. Therefore, in dealing with this kind of legislation it will be necessary to be very careful, because it could generate unemployment.

[EL MERCURIO] Many people think that once the new government is in office, there is going to be heavy pressure from the workers to raise their present salaries and to obtain better working conditions very quickly.

[Feliu] I believe the following. The organized trade unions represent approximately 20 percent of the active work force. That is, out of 2.0 million workers, a little more than 400,000 are organized in trade unions. If these people—whom I consider very sensible, very prudent, and really very patriotic—try to press for higher salaries, the only thing that we employers would experience in that case would be an increase in the costs of our companies.

[EL MERCURIO] And what would that mean?

[Feliu] If the costs of our companies go up, we would charge for the increase in costs on the price for our products. And this cost would have to be absorbed by the millions of Chilean consumers, who are not organized, who do not belong to trade unions, and whose interests would be harmed by this pressure from the trade unions. Then, such an effort would not produce the balance which the country needs, and those who would suffer the most would be those who are not organized, the millions of people who have never had the possibility of speaking up. This is because they have no organization to do so. Fundamentally, these people include the poor in our society or the Chilean middle class, which is also not organized. And that middle class has suffered the major impact of structural change.

[EL MERCURIO] In what sense?

[Feliu] According to studies made by our own National Institute of Statistics, the poorest people have experienced a substantial increase in income during the last few years, and the richest people have also had a large increase in income in the last few years. However, those who have not had a substantial increase in income are the middle classes. Consequently, we must be very careful. The future government must have the necessary balance and analyze technical matters in depth in order to make the right decisions. Personally, I do not believe that there are going to be any pressures, because I believe in the good sense of our working force.

[EL MERCURIO] Do you think that an agreement could be reached between management and workers?

[Feliu] I think that we are going to reach agreement in dealing with the great national problems rather than what increasing wages could mean. Although it is true that increases are necessary, there are people who have no means for demanding this kind of thing and whose interests would be very seriously injured if tomorrow prices were to go up as a result of the demands of organized pressure groups.

[EL MERCURIO] You are opposed to a change in the present tax rates. From what other source could the resources be obtained which the new government is going to need to provide a solution to social demands?

[Feliu] From copper. The CPPD [Coalition of Parties for Democracy] is basing its assumptions of available resources on an analysis which seem too pessimistic to me, because they think that the price of copper will reach $0.85 per pound. I think that the price is going to be above $1. As each dollar cent per pound of copper represents at least $30 million in greater income from taxes, the resources will be available.

[EL MERCURIO] But do you not consider that a drop in demand for copper is possible?

[Feliu] Although it is true that the producing countries, like the Philippines, Zaire, Zambia, Peru, and the United States, have increased their production, their output has only eased their internal shortages. As a result, although the predictions made by some people regarding copper prices are not very good, the level of demand will be maintained, and it is not going to be necessary to increase taxes, because this is a problem of resources.

[EL MERCURIO] Why do you consider it so damaging to increase taxes if the proposed plan sets moderate rates?

[Feliu] Increasing taxes would be very harmful for private enterprise because this increase from 10 percent to 20 percent amounts to a 100 percent increase. In this program, if you apply it to currently operating fields, it will simply mean lowering the national investment rate by up to 2 percentage points. This is terribly dangerous because it means less employment and fewer resources for the tax authorities in the future. The country would then not have the rate of growth which it ought to have, a rate of growth which would make it possible to obtain $300 million in additional tax income per year. If the tax authorities do not have this money, their costs will go up and they will have to lay their hands on more taxes. Then we are going to return to a vicious circle. Finally, there will be more poverty, more inflation, more public expenditures. And if this is not balanced, it will immediately mean greater levels of inflation. And inflation is the greatest scourge which the poorest sector of our country could have.

[EL MERCURIO] Finally, what message do you have for employers?

[Feliu] The same as always. To the extent that we are doing something, which involves investing in order to create wealth, we are creating new sources of labor, opening new markets, and doing what the country hopes to obtain from us. To the extent that we continue along this path, believing in what we are doing, in an honest way, without speculating, we will hold on to the confidence of our people.

* Reunification of Socialist Party Discussed

90ET0056B Santiago HOY in Spanish
27 Nov-3 Dec 89 pp 17- 18

[Interview with Jorge Arrate by Mauricio Vargas: "Socialism Should Reunite Under the Concept of Liberty"; date and place not given]

[Text] In the final analysis, it was two letters, from one secretary general to the other and vice versa, that marked the fate of the long-sought socialist unity.

On 9 November, Jorge Arrate responded to the one from former Foreign Minister Clodomiro Almeyda, which in practice overcame important points of disagreement standing in the way of unity. Arrate states straightforwardly that "on instructions from the Central Committee, I view your contribution to socialist unity as contained in your letter of 7 November to be decisive."

Arrate seems satisfied. After replacing Ricardo Nunez, he managed to place his own stamp on the process of renewal and possible merger, revitalizing the historic socialist trend. "We shall achieve unity because the times require it," he says convincingly.

[HOY] Within the actual process, dates have even been given for the merger: at year's end, in March....What steps are being taken?

[Arrate] One extremely important step is the fact that we are waging the parliamentary campaign together throughout the country. This has made it possible for rank-and-file socialists to get along and work together united for the victory of Patricio Aylwin and our candidates, without discrimination.

Now then, to be very honest, 6 out of every 15 members of our party's political committee are candidates. Between 10 and 15 are members of the Central Committee, the vast majority in the provinces. Consequently, I cannot discuss a final agreement on unity before 14 December....But immediately thereafter, I hope to move rapidly toward the formation of a single socialist leadership.

[HOY] In his letter, Clodomiro Almeyda hints that the final option could be the most innovative way over and above the orthodox way. Would the content of the merger come about based on the ideas you have maintained?

[Arrate] We are going to have a document of doctrinary and political bases to which we shall subscribe once they take in the evolution and experience of recent years. We have a great deal in common: We have agreed to proclaim Patricio Aylwin. We have participated in the parliamentary pact. We have the same idea of the government of transition, so that all agreements will take up the experiences of socialism as a whole. Here there will be no winners or losers; that is the basic rule.

[HOY] Nevertheless, based on the framework in which events have occurred, one could presume that the doctrinary definition of united socialism will not be Marxist-Leninist, for example.

[Arrate] I would not belong to a Marxist-Leninist party and no modern socialist would.

[HOY] And the moral justification for violence?

[Arrate] We would have to have a discussion with St Thomas. For me, the important thing is that Clodomiro has politically condemned the actions of the FPMR [Manuel Rodriguez Patriotic Front]. Nowhere has he justified terrorism. What he has proposed is a judgment of moral philosophy which I, at any rate, cannot share.

Now then, I think the idea will prevail that merger implies a profound commitment to democracy, not by promoting violent methods, but rather, democratic ones. It is sterile today to manifest rigid ideological positions.

[HOY] One of the points of greatest disagreement was the perseverance of the PPD [Party for Democracy]. Does the fact that in his letter the former foreign minister left the decision about its future up to you not imply a victory of its position of renewal?

[Arrate] We do not feel we own the PPD. We want and must have a respectful, democratic relationship with them. This implies that as a group, we socialists can make a proposal to the PPD for them to consider. What Clodomiro Almeyda does then is to help the Party for Democracy remain as it was conceived, that is, in order to transcend socialism and join with it in restoring democracy.

[HOY] But in the final analysis, can it not be inferred from Almeyda's letter that united socialists will be uncertain about the PPD?

[Arrate] Architectonically speaking, the forces must be arranged differently. The ideal is for us socialists to comprise a great doctrinary force with great popular expression, while recognizing that there are very important sectors which, without being activists, without having to take up the common history and suffering, will participate in a broader movement. When socialism is capable of projecting beyond its borders, the PPD takes on importance. And that is how comrade Almeyda understood it.

[HOY] How do you find room in this framework for the more orthodox sectors of the Almeyda PS [Socialist Party] such as that of Camilo Escalona, for example?

[Arrate] Above and beyond our disagreements, Camilo is a great leader, but he has also evolved. While only a few months ago he was stating that the indestructible socialist-communist unity was essential, today he says there must be a preferential relationship. And that unquestionably marks movement toward agreement.

[HOY] So what kind of a relationship do you visualize with the PC [Communist Party]?

[Arrate] We must have a democratic relationship with the communists within the framework of the operation of a solid democracy. This means being able to detect points of agreement that are useful to Chile, while also detecting points of disagreement that can harm a budding democracy.

[HOY] Returning to the PPD, there is one reality that cannot be forgotten: In the polls, it is the party of Ricardo Lagos and not the socialists that appears as the second election force. Could you not be surpassed by that good image of the PPD and become blurred as socialists?

[Arrate] Complementarity does not imply blurring. Experience teaches us that in demonstrating the political capacity to form a great, attractive, modern party, it is not impossible to coexist.

[HOY] But would you be prepared for the possibility—so far denied by him—that Ricardo Lagos will be a presidential candidate in 1994, running under the banner of the PPD? Could the socialists not aspire to have their own candidate?

[Arrate] Ricardo Lagos is a socialist.

[HOY] But as president of the PPD, he is representing a much broader spectrum.

[Arrate] Then it would be fantastic to have such drawing power. Now then, in 1989, we have a single candidate and that is Patricio Aylwin. Anything that comes later is debatable and perfectable.

[HOY] In some sectors of the right, it is thought that a strong and united PS could, given its parliamentary representation, be a breaking point for the future government, making Aylwin, if elected, tend to move closer to the more democratic right.

[Arrate] Every move Patricio Aylwin makes only confirms the fact that the force supporting him, represented by thousands of Christian Democratic, socialist, and other banners, is the one giving us a viable country for the future.

That is why I see a very long-range understanding between the left and the center. The next period is crucial and the socialists' position will be to present the most resolute support for Aylwin, taking on both costs and benefits.

[HOY] And yet, there have been important meetings between officials of the CPPD [Coalition of Parties for Democracy] and the National Renewal aimed at starting now to find points of convergence and agreement. How do you visualize the relationship of socialism with the right?

[Arrate] I think that there are two rights in Chile today: one authoritarian and continuist represented by Hernan Buchi, the UDI [Independent Democrat Union], and other more extreme sectors; the other a modern force of renewal that aspires to be regenerated as a driving force in democracy. With that right we have had agreements and it is fundamental for us to make progress on others, making the most of them for the country.

[HOY] And as for talks with leaders of the Christian Left such as Sergio Bitar, Pedro Felipe Ramirez, and German Molina, would they join with a unified PS?

[Arrate] Talks are very advanced, but in terms of the unitary process. If this comes about, it will be an extremely valuable element for the modern socialism we want.

[HOY] There are also within the MAPU [United Popular Action Movement] contacts with the MOC [Worker and Peasant MAPU Party] in order, once reunification is achieved, to be able to join in the socialist merger.

[Arrate] Then the Socialist Party will be big and entertaining! All joking aside, this is in keeping with what is happening internationally. All great socialisms in the world are capable of recognizing internal differences, which is why they are not verticalists, centralists, or monolithic.

[HOY] To turn to your trip to the United States, it is said that it is not only of great importance to you, but to the Americans as well.

[Arrate] It is the first one we are making officially since the 1940's, when Oscar Schnake went. It is an important step because of what the United States means.

We want to make ourselves heard as socialists and as members of the CPPD. We want to show that Allende's heirs have changed. We want to show that in the 21st century, socialism and freedom must go hand in hand. And socialist unity tends precisely toward that goal: socialists coming together with the idea of freedom that is their own. That is why there will be unity.

* Teitelboim on Future of Party, Communism

90ET0056A Santiago EL MERCURIO in Spanish 26 Nov 89 pp 5d-6d

[Interview with Chilean Communist Party Secretary General Volodia Teitelboim by Raquel Correa: "I Am Gorbachev's Predecessor"; date and place not given]

[Text] Volodia Teitelboim appears in the living room of the house in Pedro de Valdivia Norte and it is as if one

were in a time warp. He puts out his hand, serious and calm, no smile on his face. So like the Volodia Teitelboim of 1973 (when he obtained the second-highest senatorial majority for Santiago, beaten only by former President Frei) is he that one has the impression of seeing a vision. I told him as much and he finally smiled:

[Teitelboim] That's because I was born with an old face!

[EL MERCURIO] Do communists have a sense of humor?

[Teitelboim] Some are solemn, some witty or serious, and some are frivolous....

[EL MERCURIO] Frivolous too? There are frivolous communists?

[Teitelboim] Of course. It takes all kinds to make a world.

Teitelboim must be 73 or 74, is twice married, has a son who is a scientist and a daughter studying journalism at Lomonosov University in Moscow, where the secretary general of the Communist Party spent over 15 years in exile, appearing two nights a week on "Escucha Chile" [Chile Listens] to broadcast messages against the military government. It was no "golden exile," he assures us in that same inexpressive face, never raising his voice or gesturing with his hands, but sadness can be read in his look. In a hoarse voice, he says only, "It's not nice to see a man cry."

Attorney, poet, a communist for 16 years, he now feels at home again in Chile. "I recognized it as soon as I set foot on it again and breathed my own air, saw my own countryside again."

He says he sees two Chiles: "those who live like in Beverly Hills and the others," and observes that the gap has grown even wider, the population mushroomed, and "there is more poverty than before."

He went to Lota and found it "as poor as before: the same public wash houses, just 17 years older. Not even repainted."

[EL MERCURIO] Aren't there similar areas in Moscow?

[Teitelboim] No. Moscow is disorganized and there are poor sections, but no such poverty. European poverty is different.

He was recently in Chuquicamata ("horrifying from the standpoint of housing"). He found Valparaiso the same and calmly concludes: "Two Chiles: one ever more splendid and then the other of the 6 million poor people."

[EL MERCURIO] Was it not 5 million? Are there a million more?

Teitelboim refuses to be provoked.

[Teitelboim] Leave it at 5 million if you wish. It depends on your criterion for poverty.

Erased From Computer

"He seemed more like a simple priest than a communist," recalls Pinochet in "El dia decisivo" [The Decisive Day], but we shall speak of "Mr Pinochet," as Teitelboim calls him, later on. First he tells of his legal resurrection. It is like a Pirandello tale. They took away his nationality, through the Official Daily, and everything else. During his exile, he traveled all over the world using special Italian documents for stateless persons, but he unconsciously ruined the applications at airports. "I either put down 'Chilean' or nothing at all. I could never write 'No nationality' or put down something else." When he returned home officially (he had done it before illegally, going so far as to wear a wig), he went to the Civil Registry.

"I told the secretary who I was and she answered, 'That cannot be. You have been erased from the computer and therefore do not exist.' I insisted, but she repeated it was not so and said she could not solve my problem. I had to take charge of my own resurrection."

They gave him 48 hours. He went looking for a paper, any document, but found nothing. Suddenly a number began hammering away in his head: "I have no memory at all for numbers, but I kept thinking '05235,' which turned out to be the number on my ID issued when I was 18 years old. The first 0 no longer existed and they have since added a hyphen and the number 3. I heaved a sigh of relief and also regained the nationality they had taken away amidst so much scandal. I got it back without knowing how I did it. My passport now says 'Chilean'."

And so we jumped from one subject to another. Teitelboim could spend the whole day talking as if he were in no hurry.

[EL MERCURIO] Are you a vanguard or traditional communist?

[Teitelboim] Vanguard, absolutely.

[EL MERCURIO] First your party was against voter registration so as not to participate in the plebiscite. They finally ordered your members to register and vote "No." Now it supports Patricio Aylwin. These decisions were all made somewhat late. Why?

[Teitelboim] It was a whole process because Chile lived through a completely abnormal process starting on 11 September 1973. It was necessary to rehabilitate the life of a party which the system had promised to eradicate.

[EL MERCURIO] Did the Communist Party grow or decline with the ban?

[Teitelboim] I think that from the standpoint of its membership, it declined. It had over 200,000 in 1973, but it now has fewer rank-and-file members.

[EL MERCURIO] What election percentage do you think it now has?

[Teitelboim] The party has been illegal for 17 years and fiercely persecuted. In the first election, with this rigged system that favors establishment parties, it would be utopian to pretend to achieve the same percentage of 1973, but the party is very strong. Mr Pinochet bet on the disappearance of the Communist Party and totally failed. It is a live entity in Chile, a factor that counts in politics.

[EL MERCURIO] And the PC [Communist Party] of today, is it the same as in '73?

[Teitelboim] It is both the same and different. It is the same as far as its roots, its history, and its relationship to its origins, the workers and poor people, are concerned, in terms of the interest it awakens among students and intellectuals. And it is different because it has undergone the most difficult test in its history.

[EL MERCURIO] Seeing communism collapse as a system in the world?

[Teitelboim] No. It is not collapsing. For us, the most difficult test in our history and the history of Chile has been the 17 years under the dictatorship, the bloodbath. Such a long military dictatorship, which eliminated all political parties, all democratic institutions....That was our greatest test. Nearly 30 members of the Central Committee in office at the time of the coup were assassinated. That naturally forced the party to regroup in order to defend its existence.

The Terrible Truth

[EL MERCURIO] What do you say to those who maintain that communism is on its way to extinction because it showed its inability to solve people's problems?

[Teitelboim] That is not so.

[EL MERCURIO] What does the fall of the Berlin Wall signify for you?

[Teitelboim] To us it seems to mean salvation. We have always thought that socialism should have the confidence of the respective peoples.

[EL MERCURIO] Does it look like salvation when communism collapses like the Berlin Wall?

[Teitelboim] It is the type of socialism that in my opinion was antisocialist that is collapsing.

[EL MERCURIO] But you belong to that communism.

[Teitelboim] No, I don't. (And he looks for a book he wrote in 1969, entitled "Hombre y Hombre" [Man and Man]. He thumbs through its yellowed pages until he finds certain quotations he wrote against Stalin.)

[EL MERCURIO] So you are Gorbachev's precursor?

[Teitelboim] Yes. I am Gorbachev's precursor. And I am telling you I am not the only one. There must be millions of precursors to Gorbachev. For years I maintained the absolute need for change. (He reads out loud and emphatically.)

"Some talk of vindicating Stalin....Nothing, no one, will ever be able to make us commune with dead divinities or new idols so foreign to Marxism. That lost illusion has been destroyed forever. The state of innocence is over and no force will ever be able to erase the terrible truth revealed or take us back to the past."

[EL MERCURIO] And what is that terrible truth?

[Teitelboim] The horrors of Stalinism, the lack of democracy, lack of freedom, lack of respect for human rights. ("A simplified, dogmatic Marxism," he continues to read from his book, "revolving around a hero and a symbol conceived by a single head: Stalin....")

Gorbachev Phenomenon

[EL MERCURIO] You speak of democracy. Is there democracy in the Soviet Union?

[Teitelboim] I think that an incredible process has begun in the Soviet Union leading to democracy with supersonic speed. What has happened under Gorbachev is a sensational phenomenon.

[EL MERCURIO] You were a communist before anyone ever heard of Gorbachev, before the process began, before Stalin, during Stalin and after Stalin.

[Teitelboim] But we were democrats.

[EL MERCURIO] Who is "we"?

[Teitelboim] The Chilean communists. There was never a more democratic government in Chile than Salvador Allende's government. We were absolute champions of democracy and freedom. And we said so during our years in parliament.

[EL MERCURIO] Do you deny the Chilean Communist Party's dependency on the Soviet Communist Party?

[Teitelboim] The Chilean Communist Party is in no way dependent on the Soviet Communist Party or any other Communist Party.

[EL MERCURIO] You were a communist when the Soviet Union invaded Afghanistan....

[Teitelboim] That was Brezhnev's mistake.

[EL MERCURIO] But then Stalin was not the only one to act wrongly; so did Brezhnev.

[Teitelboim] Yes, he did. We are not talking about a man, but rather a phenomenon, an erroneous interpretation of Marxism.

[EL MERCURIO] You were just in Berlin celebrating the 40th anniversary of the German Democratic

Republic, with the Berlin Wall and everything else. Was the Berlin Wall another mistake?

[Teitelboim] The problem is that the events of the past cannot be viewed with contemporary eyes.

[EL MERCURIO] But the Berlin Wall is contemporary....

[Teitelboim] Naturally. The Berlin Wall should not exist either as a wall or as a closed mentality. It should not exist. But history is devilish and creates contradictory situations at a given point in time....

[EL MERCURIO] But now, this year, when you were celebrating East Germany's anniversary, did you tell your German comrades that you found the existence of the wall atrocious?

[Teitelboim] I talked with the Germans a great deal and above all, listened to them.

[EL MERCURIO] You, an intelligent, sensible person....

[Teitelboim] Thank you. (His response was given without sarcasm.)

[EL MERCURIO] How can you say that Stalin made a mistake, that Brezhnev made a mistake, that the German communists made a mistake, and still go on being a communist?

[Teitelboim] I am a strong supporter of change. I am a strong supporter of socialism that is immersed in freedom and democracy, that interprets the concrete situation of its people, that takes on the absolute national meaning it must have. But if I start to examine the origins of the Berlin wall, I conclude that it was another situation.

[EL MERCURIO] Do you justify it?

[Teitelboim] It is not that I justify it. But very serious situations occurred at that precise moment, situations of extraordinary tension. I absolutely do not justify it, nor did I justify it before. No one asked my opinion about building it and, in the end, I answer for my actions in Chile. The Communist Party answers for Chile and we cannot answer for what happens elsewhere.

[EL MERCURIO] But it is an international party.

[Teitelboim] Yes, it is. But today, the only International that does not exist is the communist one. The Christian Democratic one exists, as does the socialist, the liberal, and the fascist. The Communist International ceased to exist in 1943, scarcely 46 years ago....

Model of Society

[EL MERCURIO] At any rate, if your model of society makes so many mistakes....

[Teitelboim] That is not my model of society.

[EL MERCURIO] Then what is your model of society?

[Teitelboim] Chilean-type socialism, which must be conceived by those who believe in socialism in Chile and, naturally, the communists, in keeping with our own situation, our history, our traditions, and our social psychology, one that substantially responds to the interests of the people and change with freedom, democracy, and pluralism, as well as alternating power.

[EL MERCURIO] That description of democracy could be given by a Social Democrat, a Christian Democrat, a Radical, or someone from the National Renewal (NR)....

[Teitelboim] No, it could not. The National Renewal, like the UDI [Independent Democrat Union], has been a governing party, with 80 percent of its candidates former officials with the dictatorship. Our attitude toward the people is that we have been champions of freedom and democracy.

[EL MERCURIO] Where? In Cuba?

[Teitelboim] Here, in Chile. And we answer for Chile. In 1973 we fell, along with the other parties of what was then Popular Unity [UP], defending the constitutional regime of absolute freedom, total democracy. That was our ordeal by fire, our reality, our behavior.

[EL MERCURIO] You said that the government of former President Allende was the most democratic of all. Then how do you explain the reactions of all the democratic institutions at that time: Parliament, the Comptrollership, the Judicial Branch? Do you not practice self-criticism?

[Teitelboim] I have a fabulous criticism: its colossal naivete. Failing to realize that an enormous plot was being hatched to do away, not only with the Popular Unity Government, but any form of democracy, dissolving the Congress, burning La Moneda [Executive Mansion], banning political parties, establishing the holy, brand-new institution of the "missing persons," those who had their throats cut, who went into exile. We did not realize it because we thought, lulled by the heavenly music of democracy, that Chilean democracy could withstand the test of bullets, cannons, and tanks, and we carried our differences too far. We did not see that they would open the way to the tanks and bullets, to the death of Chileans and democracy.

[EL MERCURIO] How much responsibility do you attribute to the DC [Christian Democracy] in this process?

[Teitelboim] Equal to ours.

[EL MERCURIO] Do you think the coup could have been avoided?

[Teitelboim] It could have been avoided. We could have reached an agreement, and President Salvador Allende was willing to work out an agreement, even one that presumed an emergency government.

[EL MERCURIO] Allende would have resigned?

[Teitelboim] Many things could have happened.

[EL MERCURIO] And now how do you feel about supporting Patricio Aylwin, who was president of the Christian Democrats in 1973?

[Teitelboim] I feel very good about supporting Patricio Aylwin.

[EL MERCURIO] Is that not inconsistent?

[Teitelboim] I am very consistent because our dilemma is choosing between Pinochet and Mr Buchi and continuism or a democratic government headed by Patricio Aylwin. Given that option, we take a resolute, unwavering stand so that there will be a democratic government headed by the Christian Democrats.

Socialism's Time

[EL MERCURIO] Would you not have preferred in this election to have the left as an alternative?

[Teitelboim] No, under no circumstances. That would have been a repeat of the situation in 1970: electing a minority government that would be exposed to the attacks of continuism and attempted coups. It would have been extraordinarily vul-ner-a-ble. The requirement of any person who learned the slightest useful lesson from history was for the left and the Christian Democrats to march together, shoulder to shoulder, to elect a president. And the only possible way to achieve such an agreement was with a Christian Democratic government.

[EL MERCURIO] And when do you think socialism's time will come?

[Teitelboim] That is impossible to predict. It depends on the will of the people. It cannot be imposed from the Winter Palace or La Moneda.

[EL MERCURIO] The July 1987 issue of EL SIGLO referred to the "stubborn, worn-out anticommunism of Patricio Aylwin...."

[Teitelboim] Well, that would not be EL SIGLO's first mistake. *Errare humanum est*....Aylwin is a Christian Democrat who is very prejudiced against communism and now has even defined himself as an adversary of communism.

[EL MERCURIO] And you support an adversary?

[Teitelboim] Yes, because of a higher interest: achieving democracy.

[EL MERCURIO] Even though Aylwin refused to join with you in common lists "in any kind of election," arguing that "in order to beat the dictatorship, one must have democratic consistency and follow democratic methods"?

[Teitelboim] And we are not on common lists.

[EL MERCURIO] But Aylwin maintained that you are not democrats and that you back violent methods.

[Teitelboim] Man is inherently fallible, so Shakespeare said.

[EL MERCURIO] So Aylwin was wrong?

[Teitelboim] Yes, because we are democrats, at least as democratic as the Christian Democrats. We bet on democracy. Thousands of our comrades died for it. When one gives one's life for a cause, that means that one believes in it absolutely. That is the proof of supreme sincerity.

Aylwin and the PC

[EL MERCURIO] You have said that Aylwin is not your ideal candidate.

[Teitelboim] He is not. I have only had ideal women, never ideal men, much less candidates! I consider him a great candidate. Aylwin has grown enormously as a candidate and I support him absolutely. He has risen to the height of this responsibility, inspired, I would imagine, by a sense of history. However you look at it, to be president of a Chile emerging from a dictatorship and try to restore the country to democracy is an immense task. At such a point in one's life, responsibilities take on a moral and ethical dimension.

[EL MERCURIO] Do you mean that Aylwin is vindicating himself from not preventing the military coup?

[Teitelboim] Possibly. He wants to leave as his final image that of a man who restored democracy to Chile by heading a great movement and being elected president by the entire opposition.

[EL MERCURIO] How do you feel about the fact that Patricio Aylwin does not want to be your traveling companion?

[Teitelboim] We are not Patricio Aylwin's traveling companions. We are not part of the CPPD [Coalition of Parties for Democracy]. That is a fact. We would like to have all the opposition in the CPPD, including ourselves.

[EL MERCURIO] They excluded you. Does that not offend you?

[Teitelboim] They left us out....Offense is a very personal feeling, but we think that the fact of being on the outside does not mean being excluded from history or democracy. We shall continue the fight taking our own path and, especially during this phase, placing points of agreement above everything and seeking common denominators.

[EL MERCURIO] But you are not going to be in Aylwin's future government either....

[Teitelboim] No, we are not. They did not ask us to participate in the government and we did not ask to.

[EL MERCURIO] Do you think Aylwin's candidacy is helped or hurt by communist election support?

[Teitelboim] I think it helps.

[EL MERCURIO] The campaign against Aylwin is based on the fact that it is ambiguous, because it is supported by the DC plus the UP....

[Teitelboim] No one with any brains at all can ignore something so obvious: Aylwin is what he is: a life-long Christian Democrat, a man who has no sympathy whatsoever for communism. Now then, that picture of us greeting each other, which they use for propaganda purposes and Buchi's campaign and the government apparatus, shown as a mortal sin is absurd. I have shaken hands with Aylwin thousands of times. After all, we were together in the Chamber of Deputies for 4 years and another 8 in the Senate...and we Chileans always shake hands.

[EL MERCURIO] With whom would you not shake hands?

[Teitelboim] I would not shake hands with someone I think would not want to shake hands with me. Pinochet....I don't want to have anything to do with that man. There are others, whose names I can't recall, who seem to me to be morally weak and whom I would prefer not to greet. But in the end, shaking hands is an irresistible institution in Chile!

Moral Imperative

[EL MERCURIO] Are you satisfied with the CPPD program?

[Teitelboim] The CPPD program represents the 17 parties that support it. Those of us in PAIS [Broad Party of the Socialist Left] have a different program. They both have points of agreement. Since we are interested in finding a common meeting ground and, insofar as possible, guaranteeing the success of Patricio Aylwin's government, we shall not ask it to carry out our program, but only its own.

[EL MERCURIO] So you will give up "all forms of struggle?"

[Teitelboim] As long as the dictatorship exists, as long as Mr Pinochet is in power or tries to form a parallel government, and as long as he maintains that the state of law will disappear if they touch one of his men, then theoretically the right to revolt is a moral imperative. Any line must suit the circumstances. We must start from the circumstances of every period of time. We want peace and are fighting for it. It was brutally interrupted on 11 September and has still not been restored. When it is regained, we must defend it by winning freedom and democracy, essentially consolidating it with political means.

[EL MERCURIO] Have you pledged to support Aylwin's future government?

[Teitelboim] We are going to support him. Naturally, it cannot be unconditional support. Much use has been made of my expression that we are not giving him a blank check, but we do have confidence in Patricio Aylwin. If the people are taken into consideration by his government, we shall continue to support him, but we are not asking for the moon.

[EL MERCURIO] When you speak of "dismantling the fascist regime," what do you mean?

[Teitelboim] Just what Andres Zaldivar said: for the elected president not to be a prisoner in La Moneda, that he cannot be in an iron cage with all the laws binding him. That would be a government without powers, facing a parallel government with a commander in chief of the Army becoming president of the Republic....To have Mr Pinochet continue in power as commander in chief of the Army is a danger to democratization of the country.

* Gas Pipeline With Argentina Under Consideration

90ET0056C Santiago EL MERCURIO in Spanish 23 Nov 89 p 3b

[Article by Ivan Fredes Guerrero: "Construction of Gas Pipeline With Argentina Being Studied"]

[Text] Pucon—Two private companies: the Chilean Gasco and National Gas of Argentina, are now studying the importation of 500,000 cubic meters of gas from Argentina daily over a 200-km-long binational pipeline costing an estimated $300 million and basically supplying Santiago. EL MERCURIO learned of the proposal from (retired) General Enrique Morel Donoso, executive secretary of Chilean-Argentine Physical and Economic Integration and director of Borders and Boundaries.

Morel is attending the Second Binational Conference on Economic Cooperation and Chilean-Argentine Integration that began yesterday afternoon at the Gran Hotel in this resort city and will run until Saturday. He said that talks on the project have the approval of the government of Chile and that the other alternative, a gas pipeline from Neuquen, would practically be ruled out because it is less profitable economically.

Morel said the project is sponsored and financed by both private firms and that the agreement would involve the importation of 500,000 cubic meters of gas a day initially and up to a maximum of 20 million cubic meters in 20 years.

"Talks are well under way between the two private firms on sending Argentine gas through a pipeline that would run from the Central-West deposit in the San Rafael zone near Mendoza and to the Cajon del Maipo in the Santiago area, a distance of some 200 km. The investment would cost an estimated $300 million," Morel said, outlining the specific aspects of the binational project.

"We are well on our way. Talks have already taken place between private parties," he added, although he said he did not know the latest results. "They were analyzing the price of gas because there was a difference of a little over a half a cent per cubic meter. I hope they reached some agreement at the latest meetings held last week in Buenos Aires," he said.

When asked about the government's role in the project, Morel said that "we have put the firms in contact with the Office of Executive Secretary of Physical and Economic Integration and they are getting together on the matter with the government's approval."

Concerning the proposal of the government of Neuquen Province to supply gas to the southern and central zones of Chile through a pipeline through Pino Hachado Pass in the 9th Region from the Loma de La Lata deposit in Argentina, he said it was not viable economically because of the high cost, several hundreds of millions of dollars more, compared with the San Rafael project.

Colombia

Foreign Minister Rejects U.S. Naval Maneuvers

PA1001132090 Bogota Radio Cadena Nacional in Spanish 1211 GMT 10 Jan 90

[Text] Bogota—Foreign Minister Julio Londono Paredes, who resumed his activities yesterday after a brief vacation, has reaffirmed that Colombia will not accept U.S. military maneuvers off its coasts, much less a blockade of the country's air and naval operations.

He explained that the Colombian stand does not mean the country is putting aside the struggle against drug trafficking. It simply is asserting that it will continue participating, but without affecting our sovereignty, he added.

Londono noted that there has been no contact between the Colombian and U.S. governments on beginning military maneuvers off the Colombian coasts.

More on Londono's Views

PA1001141190 Madrid EFE in Spanish 0822 GMT 10 Jan 90

[Text] Bogota, 10 Jan (EFE)—Colombian ships and warplanes patrol territorial waters to defend the country's sovereignty, it was reported last night by Foreign Minister Julio Londono Paredes, after asserting that there have been and will be no talks with the United States over the latter's announced maneuvers in the Caribbean.

It was also confirmed last night in Washington that George Bush had ordered the return of his antidrug fleet, consisting of an aircraft carrier and four other ships, and that the operation had been "frozen."

Foreign Minister Londono issued the statement after returning from San Andres Island, in Colombia's Caribbean waters near Nicaragua, where he rested over the weekend, and said that he was cognizant of the problem and in contact with the government in Bogota at all times.

Londono emphatically denied rumors about his resignation over an alleged disagreement with President Virgilio Barco about the U.S. invasion in Panama and the announcement of U.S. air and naval maneuvers at Colombia's maritime and air borders.

According to the rumors reported by local news media, Londono's position is "more radical" than that of Barco and his most immediate advisers—considered "more moderate"—concerning the defense of Colombia's sovereignty against the United States.

Nevertheless, Londono said that "the president of the Republic dictates Colombia's international policy and I am nothing but an assistant."

Bush's plans—filtered to the media in Washington around the middle of the week—to establish an air and naval "blockade" in the Caribbean off Colombia to intercept boats and airplanes loaded with cocaine, unleashed overall rejection in Colombia and was rejected by the Venezuelan, Ecuadoran, Peruvian, and Bolivian Governments.

The foreign minister said: "The Colombian Government does not believe that this can be authorized, and it has not authorized and cannot authorize any type of U.S. naval or naval aviation maneuvers in our territorial waters. The government also believes it is more convenient for the United States to exercise control within their own national jurisdiction."

Londono said that "this in no way means that the Colombian Government is not willing to cooperate with all states in the struggle we have been waging."

"Colombia has no need whatsoever to prove that it has been waging an evident, clear, and indefatigable struggle against drug trafficking," the minister said.

Julio Londono reasserted Colombia's position, which does not consider drug trafficking to be a problem that prevails solely within the country. Instead, "it is a problem shared by all states, particularly consumer countries, producer countries, and—naturally—countries used for the trafficking.

Meanwhile, the 19 April Movement (M-19) last night issued a communique in which it stated that "the United States wants Latin America to become accustomed to the belligerent presence of its troops in the area."

Controversy Assessed

PA1001161490 Bogota Inravision Television Cadena 2 in Spanish 0042 GMT 10 Jan 90

[Text] The controversy between Colombia and the United States caused by the deployment of an aircraft carrier and cruisers toward the Colombian coast began with a leak of information in the Pentagon. Yet what are the true causes of this diplomatic, military, and political problem?

For the Bush administration, drug trafficking is a problem of national security and not simply a police matter. That is why since September 1989, U.S. Defense Secretary Dick Cheney and his military advisers have been developing a plan to reinforce U.S. actions in the struggle against drug trafficking. The deployment of the aircraft carrier "John F. Kennedy" and the other support vessels to an area off the Colombian coast is precisely one of the actions included in the plan that Cheney presented in mid-October 1989.

Officials of the U.S. Embassy in Colombia and of the Bush administration in Washington mentioned the plan to Colombian officials in the two cities, but the U.S. Government never made a formal request or an official presentation of the plan.

That is why the Colombian Government was surprised when, on 28 December, White House spokesman Marlin Fitzwater announced the deployment of the ships toward an area off the Colombian coast.

The Colombian Government immediately requested an explanation from the U.S. Embassy in Bogota. The result of this first official contact was the two communiques issued at the end of the year.

[Begin recording of unidentified speaker reading from U.S. Government communique] The U.S. Government has mentioned the possibility of such operations to the Colombian Government. [end recording]

[Begin recording of unidentified speaker reading from Colombian Government communique] The U.S. Government has not consulted with Colombian authorities with regard to carrying out air and naval operations in the Caribbean Sea. [end recording]

Despite Colombia's protests over the way the plan was presented and the warning that it would not agree to participate in unilaterally planned maneuvers, the Bush administration went ahead with its plan.

That is why last week, the Colombian Presidency refused to meet with the U.S. Department of State and Department of Defense commission sent to formally present the program for the maneuvers. The Colombian Presidency then issued a second communique, in which it insisted on what Colombian Foreign Minister Londono vigorously confirmed today:

[Begin Londono recording] The Colombian Government believes that it cannot, has not, and will not be able to authorize any type of naval or air maneuvers in Colombian territorial waters and it believes that it would be more efficient for the United States to exercise control within its own territory. [end recording]

The reasons for that decision is that Colombia does not and will not agree to participate in any actions against drug trafficking that are not the result of a previous agreement.

In addition, following the invasion of Panama, the political situation of the continent has changed and Colombia could hardly agree to have a U.S. military presence near its territory. That is what the Colombian Government told the U.S. Government, which was finally forced to suspend the plan and admit its diplomatic failure.

Foreign Minister Denies Resignation Report

PA1001145190 Bogota Radio Cadena Nacional in Spanish 1230 GMT 10 Jan 90

[Interview with Foreign Minister Julio Londono by unidentified reporter on 10 January; place not given—recorded]

[Text] [Reporter] Mr. Foreign Minister, are you now back in the Foreign Ministry?

[Londono] Yes, I had a 4-day vacation, and as of this moment I am back in my office.

[Reporter] What of rumors about you resigning?

[Londono] Rumors are beyond our control. Sometimes there is speculation abroad and this speculation reaches Colombia and produces certain effects, but as I have said, I have never thought of resigning. The president and I maintain most cordial relations.

[Reporter] You met with him yesterday. What is the position of Colombia concerning all that has been happening?

[Londono] We discussed some situations and adopted decisions concerning the tours that he could possibly carry out this year. We discussed some details about an eventual participation of the president at the UN General Assembly, at a special UN General Assembly session on drugs that will take place in February. We also discussed some scheduled visits to internationally prominent people. We also evaluated the outlook for 1990.

[Reporter] Where will the president travel first?

[Londono] The president has been invited to address a special UN General Assembly session on drugs to take place on 23 February. The president has not yet definitely accepted this invitation. He has been invited by Mrs. Margaret Thatcher to deliver the opening speech at a meeting on the same subject to take place in London.

[Reporter] And, of course, the summit meeting in Cartagena.

[Londono] Yes, so far there has been no change in this regard. The delegates of the various countries attending that meeting will be in charge of discussing the agenda and its points.

[Reporter] What prominent people will be visiting us?

[Londono] I believe President Barco has invited Bolivian President Jaime Paz Zamora to visit us and he could come to Colombia in February.

[Reporter] Prior to the meeting [words indistinct]?

[Londono] Evidently. That is a possibility.

[Reporter] Has there been any contact with the United States about what will be done regarding what it may demand or about how it will cooperate with Colombia?

[Londono] I have just returned to my office, and I do not know of any contact in this regard.

[Reporter] Colombia will continue cooperation in this struggle?

[Londono] Yes. This has been Colombia's position. We are willing to cooperate within certain limits in the struggle against drug trafficking, a problem that, as we have often said, is of an international scope and cannot be linked to just one single state.

[Reporter] Could contact be established with the United States in the next few hours?

[Londono] I could not say. So far there are no plans for establishing any special contact at this point.

Extraditable Arrested; Marijuana Confiscated

PA1001163690 Madrid EFE in Spanish 1527 GMT 10 Jan 90

[Text] Bogota, 10 Jan (EFE)—In Bogota, the Colombian police have arrested a drug trafficker whose extradition had been requested by U.S. authorities. Furthermore, in Cartagena de Indias, in the northern part of the country, the police seized 2 tons of marijuana from a ship carrying the flags of Antigua and Barbuda.

Joaquin Oswaldo Gallo Chamorro, considered a trusted lieutenant of the extradited Jose Rafael Abello Silva, alias "El Mono," the chief of the "coastal cartel," a branch of the "Medellin Cartel," was arrested in Bogota.

It was learned that Gallo Chamorro had been arrested in Miami on 22 April 1978 and charged with the possession of dollars that had not been declared and with bringing over a ton of cocaine into the United States.

It is not known in Colombia whether he served his sentence in Miami or escaped from prison. For this reason, Colombian authorities are expecting the United States to request extradition.

Meanwhile, in Cartagena de Indias, the authorities confiscated 2 tons of marijuana from the merchant ship "Sungale," which was docked in that port.

Upon searching the ship, the police found a container full of packages in which the drug traffickers had hidden the marijuana.

No arrests were reported during the operation. The marijuana will be destroyed in the presence of a judge from that Caribbean city.

Foreign Trade Official on U.S. Duty on Flowers

PA1001222690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 3 Jan 90

[Telephone interview with Arturo Saravia, director of the Foreign Trade Institute, by unidentified reporter—live]

[Text] [Reporter] We called Mr Saravia because we are somewhat concerned over the news reported in the past 36 hours stating that the United States has increased its taxes on Colombian flower exports. Have you been officially informed of the U.S. Government decision?

[Saravia] Yes, we were informed on 29 December of a preliminary decision by the U.S. Department of Commerce to establish compensatory duties for flower exports following a review of the exporting companies' prices and based on methods and criteria set by that department. The Colombian authorities and businessmen have 1 month to file the necessary petitions so that the final measure is not the same as the one announced. We are really surprised and concerned by it because the Colombian viewpoint and requests were not considered to change the way in which the studies are conducted and the compensating duties are established. This shows no true willingness to give Colombia a fair treatment in this matter. We held different meetings with U.S. authorities. I met with top U.S. Commerce Department officials, backing the requests made by our exporters on these adjustments. This action shows perfectly well there is no willingness to find a solution to our exporters' problems.

Colombian exporters have not asked for preferential or privileged treatment, but fair treatment for a product that has proven to be particularly dynamic within the overall framework of our nontraditional exports. This sector will obviously be affected by the surcharge if the preliminary decision is implemented.

[Reporter] How can one understand U.S. trade policy, considering that the United States says it is giving a hand to Colombia in solidarity during the difficult situation we are going through? What solution is there? You had talks with them, explained the situation to them, and yet they do not act accordingly.

[Saravia] I would say Colombian authorities have made an overall request in the face of the offer by U.S.

authorities to improve the access of Colombian products. This is a bad step in a much broader process, which includes other requests. The only specific thing we see so far is something that is of no use to us or is not advisable for us. I think we must wait, but not in this case, as here we are going to act immediately through the Colombian ambassador in Washington. He has been in permanent communication with other Colombian authorities, directing and coordinating the presentation of our arguments.

We will very closely monitor the fate of other Colombian requests. We are confident that the announcement of this preliminary decision will somehow expose before other U.S. entities what is going on and also its implications, and hope that this will trigger a change in this attitude. We are also hoping for very specific reactions on other fronts that would allow Colombia to manage its economy in the best way possible at a moment when it is waging a very difficult battle against organized violence. To achieve that it is essential that we have access to a market as important as the U.S. market under favorable or at least fair conditions.

[Reporter] Mr Saravia, does this mean that we have no other option, that our flower exporters must simply comply with U.S. Government rules?

[Saravia] No, we believe that there is much leeway, and we will be very vehement in this regard to ensure that the final decision does not have the scope of the preliminary decision. We hope that our requests regarding the methodology will be accepted and that a change in methodology will lead to a change in the compensatory duties that would be established.

This will certainly be accompanied by additional requests on other fronts. I am confident that the willingness to reach a compromise will materialize. I hope so.

[Reporter] We hope so, too, Mr. Saravia.

Peru

15,000 Arrested in Search for 'Assassins'

PY1001200090 Madrid EFE in Spanish 1454 GMT 10 Jan 90

[Text] Lima, 10 Jan (EFE)—The National Police reported today that over 15,000 people have been arrested in Lima over the past few hours in a dragnet aimed at uncovering the assassins of former Defense Minister Enrique Lopez Albujar Trint, who was murdered in a terrorist attack yesterday. The police also stopped 8,000 cars in the search for assassins, who are presumably members of the Maoist terrorist organization Shining Path.

Lopez Albujar, who left his post at the ministry in May 1989, was riddled with bullets as he was getting out of his car in the Lima residential district of San Isidro. Lopez Albujar, 63, was retired. He was driving without an escort.

According to the sources, the car in which the criminals fled was abandoned in Surquillo District. The DIRCOTE [Counterterrorism Division] has identified one of the terrorists as Gerardo Olivos Silva through a composite made from witness' reports. The police say that Olivos Silva, a forestry engineer, has participated in other attacks against Armed Forces personnel in the past.

Lopez Albujar's murder has made a great impression in Peru. According to political observers, the incident is being regarded as an indication that the Shining Path intends to continue its terrorist attacks to intimidate the people because of the upcoming general election on 8 April.

Some 1600 Peruvians were murdered during the last quarter of 1989 due to the political violence surrounding the 12 November municipal elections.

* Arciniega Addresses Cocaine Farmers

90ET0061C Lima EL COMERCIO in Spanish 2 Dec 89 p 13A

[Article by Luis Garcia Panta]

[Text] Uchiza, 1 December—Before an audience composed of 150 journalists from around the world, General Alberto Arciniegas stated on 30 November that the Alto Huallaga Valley had ceased to be a disturbed area and that the farmers growing coca leaf are opposed to the eradication of coca growing by violence and instead are calling for the peaceful substitution of other crops.

The senior officer said that the 60,000 residents of Uchiza are now living in peace and are looking forward hopefully to development in the future, if the countries interested in doing away with the illicit drug trade help the coca leaf growers of the Alto Huallaga Valley.

He said: "The eradication of coca leaf cultivation by hand is not the right solution, and the people are not going to permit it."

Ariniegas stated that if this were not the solution and if the essential answer were a countersubversive war, then it would be necessary to have the support of the people. In an area where everyone is a farmer growing coca leaves and there is no way to win them over, it would be necessary to organize them adequately, he said.

He remarked: "That has been the entire effort made by all of the members of the 'Alto Huallaga' cooperative, which handles the sale of the product to the 'highest bidder,' who has more time than the Army."

The chief of the political and military command indicated that when the Army arrived on the scene, nothing was functioning.

He added: "Neither the PEAH [Alto Huallaga Special Project] nor the Corah [Upper Huallaga Coca Control and Reduction Agency] nor the Antinarcotics Police were adequately coordinated with the plans of the government. Even the Palma del Espino edible oil company was closed down."

However, he said, the Army arrived and provided security to the people, restoring faith in the fatherland. He added: "We were successful in returning everyone to his post and to work on what he was supposed to do."

He indicated: "The work of the Armed Forces in Uchiza is based on having everyone achieve his development objectives."

Before a crowd of about 30,000 coca leaf growers who were located in front of the Uchiza helicopter pad, Gen Arciniegas told them, using a microphone, that his command supports the coca leaf growers. The crowd gave him a tremendous ovation.

When he was approached by the foreign press, he stated that he supported the substitution of the cultivation of coca leaves by alternative agricultural products. However, in no way was it proper to pursue and attack the farmer who grows coca leaves. To do otherwise would be seized on by the Sendero Luminoso [Shining Path] guerrillas.

He pointed out: "The Army supported the construction of the DEA base in Santa Lucia, bringing in tractors, since no one dared to enter that zone. This shows that I do not support the narcotics traffic."

The commander of Subzone No 8 said that if this action had not been taken, it would not be 3,000 supporters of Sendero Luminoso disturbing the Alto Huallaga Valley but an average of 200,000 supporters, since the coca leaf growers had been enrolled by the subversive organization there.

He stated: "We are going to eradicate the cultivation of the coca leaf in a responsible way. During the past 15 years policies have been followed which have had no results but rather have ensured that coca leaf production would increase. The proper thing to do is to think of something else, and we are going to try it. Eradicating coca leaf production by hand? No."

Gen Arciniegas said that municipal elections were held in the area on 12 November, despite the attempts of the subversives to boycott them.

He said that the system must be sufficiently permeable to be flexible, if we want to make progress.

He stated: "No one has prohibited the Antinarcotics Police from accomplishing their mission. The program which the Army is carrying out is not going to be successful in 1 day. There is the matter of suppressing narcotics trafficking. The most important thing is for everyone to do his duty. The mission of the Army is to provide security for all of the organizations in the subzone, whether they are called cooperatives, Palma del Espino, Endepalma [National Palm Oil Enterprise], PEAH, the Antinarcotics Police, or whatever."

He was asked what the strength of Sendero Luminoso is at present.

He replied: "Previously, the red flag with the hammer and sickle flew over the valley. Sendero Luminoso controlled it from the mountain passes to the highway, including the rivers and the landing fields. The Endepalma and Palma del Espino companies could not produce edible oil. Nobody could produce anything."

He said that we Peruvians have lived with the coca leaf, for it relieved hunger and thirst.

* Fredemo Congressional Candidates Listed

90ET0061B Lima CARETAS in Spanish
11 Dec 89 pp 16-17

[Text] With less than 1 month left before the closure of registrations of candidates for the positions of deputies and senators, the picture is beginning to clear up in the majority of political parties and fronts regarding who will run in April 1990.

For the moment in Fredemo [Democratic Front] the percentages allocated to AP [Popular Action], the PPC [Popular Christian Party], and Liberty in the makeup of the parliamentary lists have been approved. They will be 40, 40, and 20 percent, respectively. On the lists for the election of deputies the candidates will alternate in the following way: an AP candidate, a PPC candidate, and then a Liberty candidate. A PPC candidate will be in the fourth position, followed by Liberty and AP and so on until all of the Fredemo candidates have been listed. On the Fredemo lists of candidates for the Senate a PPC figure will appear in first place, followed by a Liberty and an AP candidate in that order. The sequence will then be repeated until the Fredemo list is completed, as in the case of candidates for the Chamber of Deputies.

It is known that Javier Arias Stella will head the list of AP senatorial candidates. Following him are Sandro Mariategui, Manuel Ulloa, Gaston Acurio, Javier Alva Orlandini, Bertha Arroyo, Aureo Zegarra, Ivan Cavero, Fernando Calmell, Ricardo Monteagudo, Orlando Balarezo, and Javier Diaz Orihuela. The Liberty candidates reportedly question the inclusion of Javier Alva Orlandini on the AP list, and all indications are that they will succeed in having him excluded from it.

The list of AP candidates for deputy will be headed by Elias Mendoza, followed by Raul Diez Canseco or Edmundo del Aguila; Eduardo Calmell, also known as "El Chapulin" [The Grasshopper]; Jorge Trelles; Jaime Althaus; Jorge Morelli; Ricardo Burga; Ricardo Castro Becerra; and Dagoberto Lainez, from among the supporters of El Lechuzon [The Owl].

In the provinces Ismael Benavides, the former AP minister of fisheries, will run for the Chamber of Deputies

from Ica. Bonifacio Quispe Cusi will run from Cuzco, Pedro Villa Duran and Enrique Mendoza from Arequipa, Victor Alfaro de la Pena from Junin, and Walter Perez from Piura.

Noteworthy will be the absences of Luis Percovich, who declined to appear on the AP ticket, and Francisco Belaunde, brother of the architect who reportedly distanced himself discreetly from the AP due to his declared sympathy for Mario Vargas Llosa, when relations between the AP and the present Fredemo candidate turned bad.

For their part the Lima leaders of the PPC met on 4 December at their headquarters, presided over by Luz Alvarez de Schultz, to vote for the candidates who will represent them. For the Chamber of Deputies the following candidates won: Lourdes Flores (42 votes), Walter Brunke Rios (39 votes), Victor Reyes Campos (37 votes) Javier Bedoya de Vivanco (36 votes), Jose Lira (35 votes), Luis Valera (31 votes), Amilcar Bernabe (29 votes), Ricardo Flores (27 votes), and Antero Flores (26 votes).

For the Senate another woman won: Luz Alvarez de Schultz. After her on the list will be Alberto Borea, followed by Luis Bedoya de Vivanco and, far behind them, Raul Cantella. This was the real surprise of the meeting because he won over Ricardo Amiel, Gonzalo Garland, and Tomas Gonzalez.

Enrique Elias Laroza, Manuel Caceda, and Gabriela Porto de Power were not candidates. Andres Aramburu and Jose de la Puente were also not candidates. Celso Sotomarino obtained five votes for inclusion in the senatorial list and the same number for the list for the Chamber of Deputies. For declining the presidential slate Felipe Osterling will head the list of senatorial candidates from the PPC and, therefore, of Fredemo. Meanwhile, Roberto Ramirez del Villar was nominated by acclamation and in view of his meritorious career to head the list of PPC candidates for the Chamber of Deputies.

In accordance with a commitment from the PPC that he would be included on the Fredemo presidential slate if he did not run for a municipal position Ernesto Alayza Grundy will not be a candidate for a lesser office.

Meanwhile, internal elections will be held in Liberty and also in the Izquierda Unida [United Left] on 17 December, for which a committee has been set up headed by Raul Ferrero Costa. In Liberty the system of electoral colleges will be used, in which delegates elected by provincial committees will participate.

It is estimated that Lima will have about 10 candidates. Enrique Ghersi, Pedro Cateriano, Rafael Rey, Alberto Massa, Pedro Guevara, Mario Guevara, Carlos Urbina, Beatriz Merino, Aurelio Loret de Mola, and Fernando Olivera are the best known, although it is more than possible that the last two will hold preferential positions on the list, particularly if—as is the case with Olivera—the polls support them.

In Callao Luis Delgado Aparicio (Doctor Sarava) will run for the Liberty Movement, and Esteban Granados and Cesar Larrabure, former members of the UCI [Independent Civic Union], will head the list of the ICA [Christian Left].

* Fredemo Economic Plan Questioned

90ET0061A Lima CARETAS in Spanish
11 Dec 89 pp 27-29

[Interview with Salvador Majluf, president of the National Association of Industries, by Laura Puertas; date and place not given; first paragraph is CARETAS introduction]

[Text] Salvador Majluf, president of the National Association of Industries [SNI], calls himself a fervent admirer of Mario Vargas Llosa [MVLl]. However, he has some reservations about the proposals which Vargas Llosa presented at CADE 89 [The 1989 Annual Conference of Business Executives]. He does not believe that Vargas Llosa's proposals can be carried out within the timeframe mentioned by the candidate. As a result, he is not a supporter of rapid change. He states that labor stability is necessary when there is a shortage of jobs and he reaffirms that the goal should be to be able to pay a minimum salary of $300. He says that for that reason MVLl is going to need a lot of luck.

[CARETAS] How long do you think it will take Fredemo [Democratic Front] to convince foreign investors that our country is a good choice for investment?

[Majluf] Estimating how long it will take is very difficult. However, what is clear is that it will not be done very quickly. We have had 20 years of juridical and political instability. The laws have changed, not only with each government but every day. As long as that goes on, foreign investment will be made with an eyedropper.

[CARETAS] Does that mean that the economic model presented by Mario Vargas Llosa at CADE 89 is not viable as far as the time to implement it is concerned?

[Majluf] The amount of time mentioned by MVLl for each one of the stages over the next 5 years is valid as a goal. Now, those things are never fully carried out. I think that to attract foreign capital, Peruvian capital should be invested first.

[CARETAS] Is there some reason why Peruvian businessmen may have changed their minds? Why would they decide to repatriate their capital and investments after July 1990, assuming that MVLl should win the elections?

[Majluf] They will invest to the extent that the government gives them the confidence which they require.

[CARETAS] Do you think that those who have asked all Peruvian Governments for protectionist measures, that is, high tariffs, are going to bring back their dollars from abroad to establish industries under a system with a single tariff level of 15 percent?

[Majluf] The problem is not that a businessman will stop investing because the government has made it easier to import goods. Rather, the reverse could happen: that they would invest in order to survive. Although it is true that some companies will have to close down, there are many others which, by modernizing, can remain in the market, even if it is easier to import goods.

[CARETAS] I would specifically ask the president of the National Association of Industries whether you agree with the elimination of tariff protection, so that only efficient companies would survive, at the risk of bankruptcies like those which occurred in Chile during the first 9 years of the dictatorship of General Pinochet?

[Majluf] In the first place I would like to tell you that I am not a supporter of sharp changes. Tariff duties cannot be reduced overnight, nor can imports be opened up quickly, because there is a series of problems to be dealt with which will prevent such action. First, it will be necessary to bring down inflation. That is going to take at least 1 year. Then it will be necessary to stabilize the country in every sense. Afterwards, it will be necessary to reduce terrorism in a substantive way.

[CARETAS] If the government has not succeeded in conquering Sendero Luminoso [Shining Path guerrilla movement] in 10 years, the total stabilization which you mention is going to take a longer period of time: Perhaps 5 years will not be enough. Does the SNI have an alternative plan?

[Majluf] The SNI suggests that we take into account all of these aspects and that changes be made in coordination with the industrial sector. It is important that, together with a reduction in tariff duties, we should keep the exchange rate high. In Chile, for example, they made the mistake of lowering tariff duties while keeping the exchange rate low. Businessmen had no way of defending themselves.

[CARETAS] In Chile, according to many industrialists, they learned that mixed solutions cannot be adopted.

[Majluf] Definitely.

[CARETAS] In that case, if the MVLl government does not have the necessary parliamentary majority to pass laws covering reforms in the tax and labor field, will Vargas Llosa's economic model fail?

[Majluf] That is a problem, and it is very serious. For that reason it is essential for MVLl, who offers a major change in things, to win the election in the first place. Otherwise, the program will not work.

[CARETAS] Do you think that the Pinochet dictatorship contributed to Chile's economic recovery?

[Majluf] The dictatorship helped. It is much easier to make changes under a dictatorship. However, it is difficult to find honest dictatorships. Apparently, Pinochet is honest.

[CARETAS] Is a man honest who was responsible for the death of thousands of Chileans?

[Majluf] I am not defending dictatorship, nor do I support anyone's death. However, when you talk of social cost, you should also think of the terrible social cost for Peru which the economic policy of the present government has caused.

[CARETAS] In Chile the exchange rate is fixed by the BCR [Central Reserve Bank].

[Majluf] That is the only thing in Chile which has continued to be subject to control. However, it has been proved that it is certainly possible for the exchange rate for the U.S. dollar to reflect reality. That is, a dollar at its real parity.

[CARETAS] However, in Peru we have an additional problem: narcodollars, which are estimated at amounting to between $1 and $2 billion. That money is going to depress the rate for the dollar. If we follow the Chilean example, the BCR will be forced to buy up narcodollars to keep the exchange rate high. And, as you very well know, that is the same thing as printing money.

[Majluf] Yes, but do not forget that at the same time the economy will be growing, which will generate a greater demand for dollars.

[CARETAS] That is going to take a long time. Economic growth is not instantaneous.

[Majluf] It is not that Mario Vargas Llosa has a magic wand or that once his laws are approved everything will be solved. Things will take time. There will be problems, and we will have to adjust to them as we go along. In all probability during the 5 years of the MVLl government the economy is going to settle down, to the extent that this is achieved and that the majority of the Peruvian people are convinced that what Fredemo proposes is the right thing to do. Because if we do not follow the same policy for at least 10 or 15 years, what has been done by the right hand will be erased by the left hand.

[CARETAS] Will reconverting the debt be used to attract investment, as was done in Chile?

[Majluf] Yes, it is one way of attracting investment.

[CARETAS] How will we avoid the concentration of property in a few hands?

[Majluf] There is no reason to be so afraid of the concentration of property. Furthermore, property is not going to be concentrated in a few hands.

[CARETAS] Has not Chile provided an example of transnationalization?

[Majluf] In Chile there are thousands of farmers. Certainly, trade is in the hands of the big trading companies, which must be large. This is because a small producer cannot really export since he does not have the infrastructure to do so, for example, to preserve tropical fruit, which is one of Chile's principal export products. Furthermore, the large trading companies have access to the necessary markets.

[CARETAS] Ricardo Vega Llona, a member of Fredemo, says that private companies are not inefficient in themselves. Their high prices reflect the fact that they have to purchase production inputs from companies as inefficient as Sider Peru [Peruvian Iron and Steel Enterprise].

[Majluf] The metalworking companies have to buy the most expensive steel in the world. Therefore, it is impossible for the companies which use this input to have prices which can compete internationally.

[CARETAS] So what should be done with Sider Peru?

[Majluf] Close it down. By that I do not mean that the workers should be fired. The idea is to employ the same people but with more modern machinery.

[CARETAS] If we estimate the total amount of investment which such machinery would require, you are talking about foreign capital.

[Majluf] I understand that there are certain Peruvian businessmen who have asked that they be permitted to build a plant of this kind. They are prepared to provide the capital, eventually in association with some foreign company. What I wish to tell you is that there is a will and a capacity to do this.

[CARETAS] Do you think that the privatization of one of the so called strategic companies could wound susceptibilities in some sector of the Armed Forces and that a general like Juan Velasco might soon appear?

[Majluf] He might appear, but I do not believe that this would be a blow for the privatization of certain companies, because all of them are strategic.

[CARETAS] Has Fredemo met with the high commands of the Armed Forces and has it discussed its economic model with them?

[Majluf] I do not know whether there has been such a meeting. Up to the present it has not come to my attention. I am an independent. I am not a member of Fredemo. However, I have a deep admiration for Mario Vargas Llosa. Nevertheless, as far as his program is concerned, we are certainly in continuing contact.

[CARETAS] Are you the originator of the reforms seeking labor stability and an industrial community?

[Majluf] No, and I do not believe that this is the most important matter. It is not a question of telling the workers without further warning that labor stability has ended. There are measures which have to be taken in coordination with the workers.

[CARETAS] Since the law on labor stability was approved, businessmen have said that this is a brake on growth.

[Majluf] I do not share this opinion. There are other factors which are obstacles to growth. I have four companies and have very good relations with the workers. When there is a shortage of employment, labor stability makes some sense.

[CARETAS] As is the case now and as it will be for at least the first 3 years of the MVLl administration. He himself has said that they will be hard, and everything indicates that there will be employment problems.

[Majluf] Not necessarily.

[CARETAS] But you must agree that in public companies there are too many workers.

[Majluf] Definitely, there are too many people. There must be a reduction, which does not mean that we are going to throw everyone out into the street. I will give you an example of what happened in Chile with the port workers. As exports are the principal means of earning foreign exchange and as an important category of exports are tropical fruits, it was necessary to modernize the system, and it could not be subject to problems related to strikes. It was decided that for 1 year a total of $80 million would be earmarked to purchase equipment. I understand that $50 million were spent. The result is that Chile has the most efficient ports in the world, and several private companies operate them.

[CARETAS] If that measure were to be taken in Peru, who would absorb the surplus manpower?

[Majluf] That involves a process. They would be absorbed progressively with the growth of the economy.

[CARETAS] And while this is going on, who would finance this transition period?

[Majluf] That is the problem. There would have to be external financing.

[CARETAS] Which certainly is not going to come automatically.

[Majluf] Neither would it happen that MVLl would assume power and, on 1 August, some of the workers of the public sector would be fired. We will need a lot of luck to be able to manage all of these problems at the same time.

[CARETAS] Will MVLl have enough luck? Remember that many people thought before the municipal elections that he needed more management skill, and he resigned and left the country.

[Majluf] I think that the best thing which Mario could have done at that time was to resign.

[CARETAS] You support the view that companies should not pay income tax. Why?

[Majluf] I consider that tax collection will be much more efficient if the system is as simple as possible. Only living persons generate income. Legal entities do not do so. I think that all of these tax burdens should be eliminated and that taxation should be through a value added tax [VAT]. In Chile this system has produced very good results. Furthermore, they succeeded in having all of the companies in the clandestine economy become open companies.

[CARETAS] Yes, but the Chilean people have a tradition of paying taxes. The Peruvian people have the opposite tradition that anyone who pays taxes is considered a simpleton. How can we change this mentality?

[Majluf] It will be difficult, but it is essential to change it. At the CADE, when I spoke of the clandestine companies and Mario apparently was annoyed because he did not understand me, I referred to the fact that there are two kinds of clandestine companies: those which do not acquire legal status because of the innumerable obstacles in the bureaucratic system and those which do not wish to become legal companies because they do not wish to pay taxes. What I propose is that we insist that clandestine companies give an accounting of themselves, and the collection of taxes will be increased in that way. About 60 or 65 percent of our commerce is handled by clandestine companies.

[CARETAS] It is not only a question of changing the outlook of the clandestine companies. Peruvian businessmen are accustomed to having a father-son relationship with the government. Do you think that those who applauded MVLI at the CADE meeting did so with certain reservations, since many of their companies would face bankruptcy if those measures were enacted?

[Majluf] A businessman would not accept bankruptcy. It is necessary for the business class to get used to changes.

[CARETAS] In your opinion are there businessmen who have the progressive outlook required for this model, as MVLI called it? Are they so progressive that they will not take their profits abroad?

[Majluf] No one is going to move his capital out of the country if the country is stable. When there is confidence, capital will be repatriated. When Peruvian businessmen bring back their dollars, we can say that it is possible that Peru will come out ahead.

[CARETAS] How much time do you think will be required for Peruvians to repatriate their dollars?

[Majluf] I [illegible]ise to answer that and, as far as the rest is concerned, I do not know who has money outside the country or how much.

[CARETAS] But if you know how many businessmen would be prepared to pay a minimum salary of $300, how did you come to suggest it?

[Majluf] That is a figure which had to be reached. However, the proposal was misunderstood. In any case, I would like to tell you that substantial progress has been made in this direction, and not only with businessmen.

[CARETAS] Perhaps I have talked with the future minister of labor.

[Majluf] Hmmm.